

Transcript of Hawaii Farm Bill Forum with
Governor Linda Lingle, Congressman Ed Case, Under Secretary for
Rural Development Tom Dorr and Deputy Under Secretary for Natural Resources and
the Environment Merlyn Carlson And Moderator Loren Lasher
Kailua-Kona, Hawaii

November 12, 2005

3 THE MODERATOR: Good morning, everyone.

4 Ladies and Gentlemen, I'd like to thank you-all
5 for being here, for investing your time to give input to
6 our representatives. I'd also like to thank our
7 representatives who have come to our island state all the
8 way from Washington to get out of the cold and to be here
9 with us. Thank you, very much.

10 I can promise you, Ladies and Gentlemen, that the
11 information that you're going to be inputting today will be
12 of great value in the future in the Farm Bill as it comes
13 about. So thank you.

14 Before we get started, or as we get started,
15 let's welcome the 4-H Flag Team as they bring up our
16 colors, our color guard. So if you'd stand, Ladies and
17 Gentlemen.

18 Please stay standing as we welcome Breana
19 Katelin Johnson and Delaney Ross as they're going to come
20 up, lead us in the Pledge of Allegiance, sing the National

21 Anthem, and also will sing Hawaii Pono. Can we welcome
22 these three young ladies.

23 (Pledge of Allegiance was given followed by the
24 singing of the National Anthem.)

25 Let's thank these young ladies. Great job. You
1 can sit back down. Let's have some of these folks come on
2 in. Ladies and Gentlemen, we're fortunate to have one of
3 our Big Island own, Ed Case. Ed Case is our councilman.
4 He's really special in that he does care a lot about small
5 businesses. He cares a lot about agriculture. What did I
6 say? Oh, Congressman, politician. How about if I just
7 call you Ed; you call me Loren. We got it. Ladies and
8 gentlemen, will you join me in welcoming Ed Case.

9 MR. CASE: Well, I think given what's happening
10 in Congress nowadays, I wouldn't mind coming back and being
11 councilman. I'm so happy with the incredible turnout here
12 today. It's just amazing how many people have come. It
13 demonstrates what we all believe about Hawaii agriculture.
14 I'm going to start off and I'm going to give my own
15 thoughts. Because although I get to sit here and listen, I
16 also get to say something too. So I want to leap right
17 into this and say some of the things that I believe, what I
18 think, and what I hope will resonate with you as you come

19 up and ask you to supplement where I haven't adequately
20 expressed your feelings.

21 I did reach out with the survey to the Hawaii
22 agriculture community asking your thoughts. I'm going to
23 pass those survey results along to our USDA and make them
24 part of the record in the talk-story session as we call it
25 here in Hawaii. So I want to try to provide some
1 big-picture issues.

2 I'm really happy, first of all, to just spend the
3 time with you today on a brief weekend back from Congress.
4 I'm really here in three capacities. Number one, I am a
5 true believer in Hawaii agriculture in all of its
6 manifestations. And I think that's a principal point we
7 want to get across to our guests here today. We are
8 talking about all of the manifestations of Hawaii
9 agriculture.

10 We're talking about what we do on the ground, and
11 we are talking increasingly about what we do in the sea.
12 We are talking about organic and non-organic agriculture.
13 We are talking about food-crop agriculture and energy-use
14 agriculture. I hope we hear about that today. We are
15 talking about local consumption and export markets,
16 incredible export markets that we haven't fully taken

17 advantage of yet, such as in China.

18 We are talking about agriculture as an economic
19 product, but also as a maintenance of the rural lifestyle
20 that we all enjoy. I'm also here as the Congressman that
21 represents virtually all of Hawaii agriculture. Because,
22 as I think most of you know, I represent the entire state
23 other than urban Honolulu proper, and they don't do much ag
24 there. I've got all of the ag, and I'm proud to represent
25 all of the ag.

1 And finally, I'm hear as a proud member on your
2 behalf of the House Committee on Agriculture, U.S. House
3 Committee on Agriculture, which has jurisdiction over
4 agriculture across our country. And the predecessors on
5 that committee include people such as Senator Dan Inouye,
6 when he was a Congressman -- he was once a Congressman,
7 briefly, for a few years -- going right back to Prince
8 Kuhio, who served very proudly on Hawaii ag, on the
9 Agriculture Committee.

10 I'm the ranking member, which means I'm the
11 senior Democrat on the Livestock and Horticulture
12 Subcommittee, which is the part of the Agriculture
13 Committee that has jurisdiction not only over all of our
14 cattle industry here and livestock industry, but over all

15 of the diversified agriculture.

16 And kind of, for shorthand, just so we can kind
17 of get this straight, the nomenclature that perhaps you'll
18 hear us using when we talk about agriculture, and this is
19 perhaps unfair from some people's perspective, you can
20 divide it into the program crops, which are the very, very
21 large crops that enjoy incredible price supports and other
22 aspects of federal assistance, corn, wheat, sorghum
23 soybeans. And then you talk about the rest of agriculture
24 in our country, and we sometimes refer to that as specialty
25 crops. Well, we know here in Hawaii that we have all

1 specialty crops, and that's a major issue as we go forward
2 here.

3 We really appreciate Secretary of Agriculture
4 Johanns scheduling these meetings throughout. They are
5 crucial to putting together the next Farm Bill. Now, the
6 Farm Bill is a fancy way of saying that every five or six
7 years we revisit all of our national agricultural policy.
8 The last Farm Bill was in 2002. We're anticipating the
9 next Farm Bill coming through Congress in 2007. As a
10 result of that, we're anticipating very, very heavy
11 discussions in Congress in 2006, in my ag committee as well

12 as throughout, and with the Federal Government Executive
13 Branch. This is getting ready for that process. This is
14 where this fits into the big picture.

15 What are we going to do as we move forward with
16 the next X number of years in a very, very rapidly changing
17 federal atmosphere for agriculture, not just in our country
18 but in our entire world? I try to get into some of these
19 things. And obviously this is an important part of our
20 Hawaii itself as we get into this.

21 Let me first say that here in Hawaii we know
22 agriculture. We've been doing it for millennia. We can
23 trace it back to the Native Hawaiians who operated the
24 highest yield, highest productive, highest sustainable
25 agriculture really in the world of that time. And we
1 carried that tradition forward into the last two hundred
2 years of sugar and pineapple, the last hundred years of
3 coffee and other crops, the last fifty years of macadamia
4 nuts, the last twenty, thirty years, as we saw, the other
5 incredible tropical fruits, cut flowers, specialty crops
6 and aquaculture coming into the fore. And we have done it
7 throughout that period for a couple of different reasons.

8 First of all, to my guests from Washington, we've
9 done it because we have generally been blessed with an

10 incredible climate, with resources that were gifted to us
11 really from above. We have done it because we've had a
12 hard working and industrious work force, which has been
13 true throughout the history of American agriculture, but I
14 think is especially true here in Hawaii.

15 And finally, we have been blessed -- and
16 sometimes we forget about this, and we need to remind
17 ourselves about this -- but we have done some of the most
18 advanced agriculture research in the entire world. We are
19 world renown. Sometimes we sit here in Hawaii and we don't
20 realize how much the rest of the world is looking to us in
21 areas such as tropical agricultural research with major
22 investments, not just by industry itself, but by your
23 government, federal and state levels, in terms of the kind
24 of research that we do here where we are, in fact, leaders
25 in our world.

1 We obviously have tremendous challenges facing
2 Hawaii agriculture today, and I don't think anybody here
3 would be surprised by that statement. We've got this long
4 and proud history. We've got a vibrant present. But we
5 have challenges moving forward. And these challenges, if
6 we don't affirmatively take them on, continue to
7 affirmatively take them on and in some cases simply be

8 realistic about the challenges that we face where sometimes
9 we get stuck into a mentality of not seeing things that are
10 obvious to us and not recognizing the consequences.

11 Now, I believe that if we don't do that, we will
12 lose whole components of our agriculture industry here in
13 Hawaii and we will lose tremendous opportunities and we
14 will marginalize the industry as a whole. We don't want to
15 do that. The bright side is that if we do take these
16 challenges on directly, we have an incredible future here.
17 And we have so much that we can do. I want to recite, just
18 to get them out on the table, some big-picture challenges
19 that I see, that you've told me about, and that I see in
20 Congress, and then a couple of very specific challenges
21 that I hope come out of your comments here today to our
22 guests.

23 I think really the first big-picture challenge --
24 and let's just recognize that agriculture is business.
25 Agriculture is not something that -- kind of some subset of

1 the business world that doesn't operate by the same basic
2 rules. It's still about cash flow, it's still about
3 expenses, it's still about income, it is still about
4 managing loans, it is still about what resources you have.

5 And here in Hawaii agriculture is small business.

6 We don't have really the large agribusiness of our mainland
7 here. This is all small businesses, many family-owned,
8 going about their lives and trying to make their business
9 work. Their business happens to be in agriculture. So
10 every opportunity we can take, not only at the local level,
11 but especially at the state level with Governor Lingle's
12 leadership and others, and at the federal level, to deal
13 with basic business concerns is going to apply in spades to
14 agriculture. And I would just cite things that you already
15 know about: the taxation, regulations, health care costs.

16 Here in Hawaii a need that I believe is acute is
17 to reform our workers' compensation system. I agree that
18 that has to be an initiative. And primarily it's an
19 initiative at the state level. But I recognize first and
20 foremost that this is a business, and we've got to deal
21 with business climate. Second, land development pressures.
22 It is absolutely incredible. We all know what has happened
23 to land prices and the demands on vacant land, on
24 agriculture land throughout our state as we have seen this
25 incredible boom go on.

1 There is every single incentive out there for
2 people that are in agriculture, own their land in

3 agriculture, to convert, even if they don't want to.
4 There's incredible incentives against them retaining
5 agricultural land when you're in a high-cost land
6 perspective like you are here in West Hawaii. Or you could
7 pick anywhere in this state, the North Shore of Oahu, the
8 central valley of Oahu. Some of the most fertile farmland
9 in the entire world under incredible pressure, incredible
10 political pressure, incredible economic pressure,
11 incredible pressure to redevelop and be lost to agriculture
12 forever.

13 Those are issues that have federal solutions,
14 some of which we need to be working on in the Farm Bill. I
15 highlight all of Title II on conservation as an area that
16 really needs to be stepped up. But I think we know the
17 solutions in this area lie primarily at the state and
18 county level in terms of our land use laws. I highlight
19 that for you.

20 We have a developing and continuing debate that's
21 a complex, troublesome debate over GMOs and organic
22 farming, organic agriculture. And I want to say what I
23 think we all know, but I want to put it on the table. We
24 have some of the most advanced genetic engineering going on
25 right here in Hawaii, the most advanced bioengineering, and
1 the most advanced organic farming in our entire world

2 happening right here. And the two are having trouble
3 getting along. And I think we have to be honest about
4 that.

5 It's not an issue just in Hawaii. We're having
6 this issue across the country and the world. We're seeing
7 the issue playing out in some of our trade wars going on
8 with Europe, for example, and with other parts of our
9 world. But here in Hawaii we need to work this out.

10 There's a lot of area, as I've witnessed this, there's a
11 lot of bad science out there, if I can be very honest about
12 it. The seed corn industry now is the third biggest
13 component of our local agriculture industry. It is the
14 largest single private employer on the island of Molokai.
15 It is a major component of industry in Kauai. It is a
16 component of industry elsewhere. It has a role here in
17 Hawaii.

18 So to those people that say somehow we should
19 drive it out of Hawaii, I say that is not the right way to
20 go. But to those people that say that they can just go
21 ahead and do whatever and not worry about it without
22 worrying about the legitimate fears of organic farmers or
23 people that are trying to preserve a different kind of
24 agriculture, I say that that's not the right way to go.

25 We have very much a federal role on this right

1 now within the USDA. Because contrary to what some people
2 believe, we do have a federal regulatory scheme that exists
3 for the regulation of genetic engineering and agriculture.
4 It is a scheme that's about twenty-five years old. It's
5 outdated, it's outmoded, it hasn't really kept up with the
6 times.

7 Secretary Johanns, his predecessor, Secretary
8 Veneman, I give her great credit because she saw this and
9 commissioned, really, with her colleagues in the federal
10 government a review, a regulatory review of how we were
11 regulating, how we were looking at genetic engineering
12 throughout our country in terms of reasonable federal
13 regulations to take advantage of the advances in science
14 and to take a chance to take a second look at it.

15 And the docket was opened up. I encouraged
16 everybody that was interested in this issue to comment on
17 that docket to your federal government. If you haven't
18 done that, please do it. I'll find a way to get it into
19 that docket. That's an important and incredible issue here
20 in Hawaii because we want to do this right.

21 And we have a stake in doing this right here. We

22 have a stake economically, we have stake environmentally,
23 we have a stake in terms of the kind of agriculture that's
24 going to be successful for us here in Hawaii, which is
25 essentially high-end, value-added, Hawaii-cachet

1 agriculture marketed not just locally, but to the delis and
2 advanced food places of our country and our world. We need
3 to work this out in a reasonable way that's going to work
4 for all of us.

5 And I think, finally, I would note on the general
6 area that we need to focus our overall federal programs on
7 Hawaii crops and allowing us to have Hawaii flexibility.
8 This is key, really, in the Farm Bill. Because as we look
9 at the Farm Bill, my observation is, number one, my
10 observation, and I'll say it to you, what you've heard
11 across the country and what Secretary Johanns has heard and
12 reported on, and that is that we are heavily skewed in our
13 overall farm policy towards the program crops.

14 That just can't continue anymore. We cannot
15 continue in an age of shrinking resources across the way
16 with our federal government, and especially in the
17 agriculture area, to continue to favor one part of American
18 agriculture really to the exclusion, frankly, of other
19 parts of American agriculture. And it has consequences.

20 For example, right here in Hawaii we have the
21 lowest, even though we are forty-first out of fifty in
22 terms of total farm value of our product, we get less per
23 federal dollar for agriculture here than any other state in
24 the country. That's a combination of the fact that we
25 don't grow program crops, and it's a combination of,
1 frankly, the fact that the crops that we do grow don't tend
2 to be on the radar screen in the bowels of USDA in
3 Washington.

4 You know, when you start talking about rambutan,
5 just as an example, I bet people's eyes glaze over. What
6 the heck is that? Well, it's something very important to
7 us here. When you talk about open-ocean aquaculture, we're
8 doing some of the most advanced in the world. That's
9 really not particularly on the radar screen of Washington.

10 A couple of other issues just to highlight for
11 you as you go forward. I think, first of all, fair-trade
12 agreements and free-trade agreements, these are problems
13 for us here. We are part of American agriculture. And
14 American agriculture is impacted or not impacted depending
15 on what your crop is and what the country is. On balance
16 it will be good. But when you start dealing with CAFTA,
17 that's a problem with our sugar industry.

18 When you start dealing with the U.S.-Australian
19 Free Trade Agreement, we have a thriving macadamia nut
20 industry. We need fair trade. We need fair trade. When
21 you start talking about free-trade agreements with
22 countries like Thailand, that's a problem for our pineapple
23 industry. We don't have the mass-produced, high-volume
24 industries here. So that when you have what may appear to
25 the federal government to be a ripple on the national and
1 international trade screen, it has very acute results right
2 here. We need to be very careful about those particular
3 areas.

4 Invasive species, we're the invasive species
5 capital of the entire world. We have more endangered
6 species here than any anywhere else in our country. We
7 have learned to live with it from an ag perspective, but
8 we're just being -- we're at war with invasives. We're
9 being bombarded by invasives coming in.

10 Now, for a long time we thought of this as just
11 an environmental issue. It is not an environmental issue.
12 It is an economic issue. It is an issue because invasives
13 come in here, and they destroy our crops. They limit our
14 ability to be able to grow what we want and to be able to
15 manage what we grow. We need a different way of looking at

16 how we deal with invasives. And I have a bill in Congress
17 right now, which impacts USDA directly.

18 Because essentially what we want to do, or what I
19 want to do, and I believe that many members of the
20 agriculture community agree with this, is we want a better
21 system of incoming quarantine. Right now, when you came
22 down here for this trip, you got on a plane, you got handed
23 a form. Nobody knows whether you signed that form or not,
24 frankly. Nobody checked your luggage when you got off the
25 plane here. Nobody tried to ask you, really, whether you
1 had anything that was going to mess up Hawaii agriculture.

2 And yet when you get back on the same plane from
3 wherever you're leaving from, you're going to have your
4 luggage searched by USDA inspectors. And they're searching
5 it because the California Central Valley wants to make darn
6 sure you don't bring something from Hawaii. Which by the
7 way we got from California to start with, so there's a
8 certain irony there. But they want to make darn sure that
9 that doesn't come into California. Now, we need that
10 protection. My bill basically asks USDA to work with us to
11 set up an incoming quarantine system.

12 Two more things, and I'm going to shut up. I
13 have so much to say, and I'm whipping it. Ag as energy,

14 that is our major part of our future here, ag as energy --
15 ethanol, biomass, bagasse, the products of sugar, the
16 products of pineapple, the products of timber. Energy is a
17 major issue for us here in Hawaii. We can solve a lot of
18 our energy needs here if we can get an ag energy industry
19 growing. And I think we very much want to do that.

20 Protection of the label of Hawaii, the label of
21 Hawaii-made, Hawaii-grown. Again, the way we're going to
22 deal with sugar and pineapple and macadamia nuts and lychee
23 and mango, we are going to market that in Los Angeles and
24 San Francisco and Chicago and New York and in Shanghai and
25 in Tokyo and beyond as Hawaii-grown, Hawaii-made. People
1 love that Hawaii label. And to the extent that we can
2 perfect and protect that Hawaii label, that's going to be
3 the future of Hawaii ag.

4 We can't compete, really, with low-volume,
5 low-quality pineapple from Thailand over the long run in
6 the world market. But we can compete by growing the
7 absolute best pineapple in the entire world and labelling
8 it Hawaii. We need that kind of protection. So
9 country-of-origin labelling is important for us here. It's
10 a big issue.

11 Can we in fact go forward and say that this is

12 U.S.-made and Hawaii-made? That will help us. We don't
13 want to get caught up in the big debate over whether beef
14 is country-or-origin labelling or not. Hawaii has chosen,
15 by the way, to brand their stuff, literally and
16 figuratively, Hawaii beef. And it's worked very, very well
17 for the Hawaii industry. But we want to find a place
18 within the federal COOL debate where it can provide for the
19 specific kinds of country-of-origin labelling that we need
20 right here in Hawaii. And it's going to help us.

21 I've got other things on my list, but I'm going
22 to stop. I've gone way too long. I thank you, very much,
23 for being here. I'm going to write all this up and mail it
24 off to you so you'll have something official. But I look
25 forward, very much. I thank Governor Lingle for being
1 here, and I thank you-all for being here. Mahalo.

2 THE MODERATOR: All right. Good. Thank you.

3 We're really fortunate also to have our governor,
4 Linda Lingle. She is talented and educated, well-educated,
5 and a professional person who cares a lot about Hawaii.
6 Will you join me in welcoming Linda Lingle.

7 GOVERNOR LINGLE: Thank you, very much. Aloha,
8 everyone. I came here this morning for two specific
9 reasons. One was to thank the Deputy Secretary Dorr for

10 holding this meeting in the state of Hawaii on the island
11 of Hawaii. This is a unique opportunity, and I felt that
12 my presence would underscore how much we appreciate it here
13 in our state.

14 I also would like to thank Deputy Undersecretary
15 Merlyn Carlson for being here as well. This means a lot to
16 us, and we thank you, very much. And just so that the
17 undersecretary and the deputy undersecretary understand how
18 significant this gathering is, I wanted to recognize a few
19 of the people who are here today, just who I spy in the
20 audience. And I know I'm going to miss people. But first
21 I'd like to introduce to all of you the head of our state
22 department of agriculture, Sandra Kunimoto, Sandy.

23 I also have spied our Deputy Director of the
24 Department of Land and Natural Resources, Bob Masuda, Big
25 Island resident.

1 And then I see a couple of council members in the
2 audience here from the Big Island, Council member Virginia
3 Isbell. And a friend from Maui, a member of the Maui
4 council flew in to be here today, Joanne Johnson,
5 represents West Maui. I also saw State Representative Bob
6 Herkes. Bob are you still . . .

7 And then I had my acquaintance renewed with Skip
8 Connell. He's the president of the Hawaii Association of
9 the Conservation Districts. Skip, where are you? Right
10 there. I know there are many others out in the audience
11 representing Farm Bureau and other important organizations
12 as well as individual farmers who came here today to talk
13 about issues that were important to you.

14 So one, I wanted to be here to thank our guests
15 because it really is significant that they're here; and
16 secondly, I wanted to underscore for you how important we
17 feel agriculture is to our state. It's a part of our
18 culture, our heritage, our economy. I thought Congressman
19 Case did a good job of outlining many of the specific
20 issues that we are facing as a state.

21 Both Director Kunimoto and myself want you to
22 know this is not a side issue for us. Agriculture is a key
23 component of our economy. It will be addressed in our
24 legislative package. An important issue that I give her
25 credit for achieving is our designation of important

1 agriculture lands in the last legislative session. And I
2 know she worked with many of you to achieve that.

3 As you might know, this was a mandate in our
4 Constitution. It was passed in 1978 at our Constitutional

5 Convention. And it said: You will designate important
6 agriculture lands in our state. Well, it took us awhile,
7 about a quarter of a century. But we did it. And we did
8 it in a collective way that said we are going to have to
9 designate important agriculture lands.

10 There is a program, the Farm and Ranchland
11 Protection Program, that helps keep agriculture lands in
12 agriculture by providing critical matching funds to
13 purchase development rights. And we feel this is something
14 that could dovetail very well with our designation of
15 important agriculture lands. And we hope that's something
16 that the secretaries will take back as they work with
17 Congress on this Farm Bill.

18 I wanted to mention that not only is Secretary
19 Dorr here in our home. But when Director Kunimoto and I
20 are in Washington, he also receives us warmly to review the
21 issues we feel are important. And one that we raised to
22 him previously that Congressman Case made a reference to
23 that we agree is critical to address is the issue of
24 invasive species. We raised this with him. We feel that
25 it is an appropriate use of federal funds through the
1 Department of Agriculture. And our state has taken the
2 lead. And we have set aside millions of dollars. We made

3 a multi-year commitment to addressing this issue because we
4 simply couldn't wait any longer.

5 It's an important issue not only to farming.
6 It's important to our watersheds, to us having enough
7 drinking water to sustain ourselves. And I thought the
8 Congressman's characterization of being at war is not
9 overstating it. This can be devastating to us in a place
10 that's so isolated, that has so few immunities to these
11 species from the outside. It's hard for us to fight them
12 off. And so the best investment is to keep them from
13 coming in the first place. If you're trying to deal with
14 them once they're here, as you know, it is extremely
15 difficult, extremely expensive, and the chance for success
16 is not high. So any additional funds we could get to keep
17 them from coming into the state would be appreciated.

18 I also most of all wanted to be here to listen to
19 you to hear what you think is most important to be
20 addressed in the Farm Bill so that we could do a good job
21 of lobbying on your behalf in Washington.

22 But thank you again. Aloha everyone. Great to
23 be here with you today.

24 THE MODERATOR: Thank you, Governor Lingle.

25 With us also this morning is Merlyn Carlson.

1 Merlyn Carlson is a special person in a lot of ways. He
2 was a rancher in Nebraska. He was the director of
3 agriculture in Nebraska. In his current position recently,
4 when he got it, the Washington Post was writing an article
5 about him and talking about his caring and supportive ways.

6

7 And when I was reading the article, I said, well,
8 shoots, man, that's not a father figure, but in Hawaii we
9 would call that an uncle. So with great honor, I would
10 like to introduce Uncle Merlyn Carlson.

11 DEPUTY UNDERSECRETARY MERLYN CARLSON: Well,
12 Aloha. And thank you, very much, for that nice
13 introduction, Loren. That was kind of you.

14 Governor Lingle and Representative Case and
15 Sandra Lee Kunimoto, thank you for allowing us the honor of
16 sharing your great paradise here to have this listening
17 session. And I may say also then to all the USDA
18 representatives that are here representing Hawaii here, the
19 Rural Development folks, the NRCS folks, and the Farm
20 Service Agency folks and others, thank you for the job that
21 you're doing. And to the 4-H and to the young folks, FFA
22 that were here, thank you for the job and the
23 representation that you've had here. And thank you to the

24 farmers and ranchers, the rural residents, the landowners
25 for taking time to be here, for attending, and now soon, to
1 participate. Thank you.

2 And as Secretary Dorr will say, I'm sure, we
3 deeply appreciate representing Secretary Mike Johanns here
4 today. And both President Bush and Secretary Johanns are
5 determined to see the comments that you offer today be used
6 to help formulate the next Farm Bill. And they look
7 forward to the opportunity to partner with Congress to
8 fashion what may be the most important Farm Bill that's
9 ever been crafted.

10 So we are eager to hear your comments on the
11 challenges facing new farmers, about the competitiveness in
12 the global market, about the effectiveness of Farm Program
13 benefits, about rural economic growth and conservation and
14 environmental goals. And yes, there have been patterns in
15 previous sessions that have been held.

16 Conservation is what brings me here today. And
17 as Deputy Undersecretary of Natural Resources and
18 Environment, I oversee the Natural Resource Conservation
19 Service. And I and the Secretary and President Bush
20 continue to believe that our farmers are the best
21 conservationists in the nation, and we truly believe that

22 we are borrowing the natural resources from our next and
23 future generations.

24 Some have suggested anchoring farm policy around
25 conservation and the tangible benefits. And as a farmer
1 and rancher, I understand the importance of conservation on
2 working farms and ranches and how those practices coincide
3 with a balanced beneficial use of those natural resources.

4 You've demonstrated the importance of
5 conservation right here on your working lands in Hawaii by
6 participating in the conservation Farm Bill programs and
7 programs like just mentioned by the Governor, the Farm and
8 Ranchland Protection Program, the EQUIP, the Environmental
9 Quality Incentive Program, with the Grasslands Reserve
10 Program, and with the Wildlife Habitat Incentive Program.

11 And lastly, I'd like to offer a special message
12 for the younger people here today, the Future Farmers of
13 America and the 4-H group we just had a chance to see: You
14 are the reason for this tour, and I hope the ideas and
15 advice we receive today will pave the way for your future
16 success in agriculture.

17 And as Secretary Johanns stated in a previous
18 Farm Bill Forum: The 2002 Farm Bill was good for 2002; the
19 2007 Farm Bill needs to be good for 2012. So what greater

20 goals do we have? So with that, I'd like to thank you for
21 the opportunity to be here today.

22 And then especially I have the opportunity of
23 introducing the Secretary of Rural Development and a friend
24 in introducing Tom Dorr. He was appointed by President
25 George W. Bush and confirmed and sworn-in in July of '05.

1 But Tom, I've seen and witnessed, has brought a richness of
2 programs to rural America all across this land. The
3 vitality that he's brought to rural business, the vitality
4 he's brought to utilities, the vitality he's brought to the
5 technical assistance to all of the above has been so good
6 for our
7 state. He's married to his wife Ann who has joined him
8 here. He has two daughters. Let me introduce to you a
9 friend of mine and a friend of yours, Undersecretary Tom
10 Dorr.

11 UNDERSECRETARY TOM DORR: Thank you, Merlyn, for
12 that kind introduction. And I would like to, before I
13 forget and before I start, introduce my wife Ann who is
14 standing in the back. As we've come to say, it's tough
15 duty to come to Hawaii. And she was kind enough to join
16 me, and we're thrilled to be here.

17 I would like to, early on, thank very much and

18 express my appreciation to Loren Lasher for being willing
19 to moderate this forum today. I'm particularly pleased for
20 Congressman Case and especially Governor Lingle being
21 willing to join us to both impart their observations and
22 their wisdom, but also to acknowledge the significance of
23 this Farm Bill Forum as Deputy Secretary Carlson has
24 already alluded to.

25 I actually was able to come over about a week
1 ago, and I did it for a very specific reason. Obviously it
2 is tough duty. But we have a number of operations at
3 USDA's rural development that are involved all across the
4 islands of this great state. And it truly is a great
5 state. And it was an opportunity for me to get a firsthand
6 view of a number of things that we've been involved with.

7 I first met Governor Lingle over two years ago in
8 Washington, as she alluded to earlier, with Commissioner
9 Kunimoto and Mike Akane with the Department of Hawaiian
10 Home Lands. And we've been actively and aggressively
11 involved in a number of infrastructure, business
12 enterprise, and housing development initiatives throughout
13 the Department of Hawaiian Home Lands as well as rural
14 Hawaii in general.

15 So as a result, I had an opportunity Monday to

16 spend some time with the Department of Hawaiian Home Lands,
17 listen to a number of issues that they're dealing with, and
18 also obtain a number of insights that will be helpful to us
19 in the long run as we learn to do a better job of
20 implementing our program.

21 Secondly, we spent some time with Alan Kennett.

22 I think Alan is here today. There he is. With Alan at the
23 Gay and Robinson Sugar Plantation, it was a very, very
24 insightful time. As the Congressman and Governor both have
25 alluded to, energy and trade and production of agriculture
1 and the protection of agricultural lands are interrelated
2 issues. And quite frankly, none of them can be sustained
3 without the right kind of capital structure investment
4 opportunities. And Alan and his team along with some of
5 his cooperators were very, very helpful in providing us some
6 insight into some significant energy opportunities in this
7 state.

8 We also had a chance to spend a little time at
9 Barking Sands Pacific Missile Range operation. And there
10 too was an outgrowth of some interesting research potential
11 relative to energy and battery storage and wind energy
12 opportunities and a number of other things.

13 Then yesterday we had a delightful time spending

14 some good time gaining some insight with Corky Bryan and
15 some of his colleagues at the Parker Ranch and getting a
16 better understanding of the issues relative to farmland and
17 ranchland preservation. I realize they're not perhaps
18 perceived as a small farm. But the issues that they deal
19 with and the way in which they have to deal with them
20 provide a lot of insight into a lot of the other farming
21 issues that we deal on a regular basis.

22 I was particularly struck by, early on, talking
23 to the Kona Boys and Tsunami 4-H groups that provide the
24 color guard. I asked Vinny -- I don't know if Vinny is
25 still here or not -- whether or not this was really a day

1 off, or he would rather be surfing. And he said, No, this
2 is a great day off, otherwise I would be picking coffee.
3 And I thought, oh, what a great segue because I know the
4 feeling exactly.

5 But underscoring all of this, what I'm trying to
6 suggest to you is although it's been tough duty, that has
7 been a terrific opportunity to get some insight into a
8 number of issues that relate, although not directly, but
9 there are a lot of nuances that gives us a great deal of
10 insight into the issues that we have to deal with as we
11 develop our thoughts for the new Farm Bill.

12 So it is a pleasure to be here. I would also
13 like to introduce, very quickly, to you the NRCS State
14 Director Larry Yamamoto. Larry, are you here? Yes. He's
15 in front. The FSA State Director Ruben Flores. Ruben's up
16 here. The two of them were very involved in helping set up
17 this forum. But quite frankly, I'm saving the best for
18 last.

19 I'm forever indebted to Lorraine Shin. Lorraine
20 is our state rural development director. And for those of
21 you who don't know Lorraine, she was one of our
22 not-so-secret weapons. She is one of the most dynamic
23 people that I've had a chance to meet in my involvement in
24 rural development over these last three and a half, four
25 years.

1 USDA rural development, believe it or not, has
2 invested over -- and I'm talking about investing, these are
3 not grants. There are some grants. But we have invested
4 over \$675 million since 2001 right here in the state of
5 Hawaii. That is everything that runs the gamut from
6 affordable housing to community facilities to
7 infrastructure development, but a number of issues relative
8 to new business development in rural communities. We've

9 created a lot of jobs in this state with these kinds of
10 investments. And a lot of that investment, quite
11 frankly, is singularly attributable to two things, or maybe
12 three. Number one, the fact that Congress appropriates
13 these funds; number two, this administration is committed
14 to rural and rural development; and number three, because
15 Lorraine and her staff and her colleagues as well at FSA
16 and NRCS are very much involved in making sure this work
17 gets done.

18 This event today is a continuation of a strong,
19 strong commitment by both President Bush and Secretary
20 Johanns to rural America, and a commitment that they made
21 earlier this year. That was that although the next Farm
22 Bill isn't due to be written until 2007, President Bush and
23 Secretary Johanns collectively got together and said let's
24 take a chance. Let's get started. Let's look ahead.

25 You know, two years in Congress, two years in

1 government really is a lifetime as Congressman Case,
2 Governor Lingle and others know. But it's a luxury. And
3 it's an opportunity that typically hasn't been presented
4 before. So I'm glad that we're doing this under their
5 leadership, and I'm glad that you're here today to help us
6 with this.

7 Our role, my role specifically as well as Deputy
8 Undersecretary Carlson's, but all of us is to listen. We
9 start with the recognition -- I particularly, because I, as
10 Deputy Secretary Carlson, come directly off the farm in
11 rural America. I farmed all my life until about four years
12 ago. And the one thing I know is that we don't have a
13 significant lack of wisdom of what needs to be done for
14 rural development in our organization. I have mandated
15 that we listen to what's going on at the grass roots. And
16 as it percolates up, we try to select and take what you
17 tell us, what you provide as guidance to us.

18 So as a result, we're doing these events all over
19 the country. We're close to concluding this series of
20 listening events, which we'll have done one in every one of
21 the fifty states. But as an old Iowa farmer, I'm
22 especially delighted to be here. I do feel a bit like
23 Dorothy in the "Wizard of Oz" because I don't think we're
24 in Kansas anymore, Toto, as she said. Well, I'm sure that
25 I'm not in Iowa. Hawaii, as has been alluded to by
1 everyone here, not alluded to by the Congressman or the
2 Governor, but particularly by Deputy Undersecretary
3 Carlson, is very unique. It's very unique in its kind of
4 agriculture and a number of issues that you face. And

5 we're looking forward to these discussions.

6 Let me emphasize a couple of things. This
7 conversation we're going to be having over the two years as
8 we digest what we've learned in these listening forums is
9 not just about the two million or so Americans who farm,
10 but also about the sixty-million-plus rural Americans who
11 call rural America their home.

12 When I was young we thought of rural America as
13 farming and ranching and forestry. That was a pretty
14 traditional view. But we've gone from about six million
15 farms when I was born to today we have two and a half
16 million. And of those two and a half million, about two
17 hundred and fifty thousand produce the lion's share of the
18 food and fiber in this country. This is a true fact.
19 Ninety-six percent of the income in rural America is from
20 non-farm sources. Most rural Americans don't farm.

21 But all of these folks are part of our
22 discussion, part of the discussion stimulated by Secretary
23 Johanns and President Bush. Because the Farm Bill is much
24 broader than just farm policy. It's actually rural policy.
25 The 2002 Farm Bill was known as Farm and Rural Development
1 Policy, not just the Farm Policy. And all of the pieces,

2 farm and non-farm, do fit together.

3 This process, in fact, is an opportunity to deal
4 with change. Obviously there are huge changes sweeping the
5 world, and rural areas simply aren't immune. Change can be
6 viewed as a threat, but it can upset comfortable
7 arrangements. It also, I would submit to you-all, can be
8 an opportunity. The difference simply depends on whether
9 or not we're prepared. And that, in my view, is what we're
10 trying to do.

11 All of us grew up in a world in which the United
12 States was the world's economic powerhouse. And in fact we
13 still are. But today the genie is out of the bottle.
14 Countries like China and India are embarked on six to ten
15 percent annual growth curves. They're becoming world class
16 competitors. And if we are going to compete, we must
17 adapt. The same thing is happening in agriculture. When I
18 was just starting out, a lot of us thought we were going to
19 feed the world. Exports were going to be the solution to
20 the problems that we had in production agriculture. That
21 shows you just how much we knew about this.

22 The reality of what happened is that we taught
23 the rest of the world to feed itself. Norman Borlaug, born
24 in Iowa, who received the 1970 Nobel Peace Prize for his

25 work and his contributions to agricultural science is the
1 name that everyone associates with in this developmental
2 process. And obviously he wasn't a one-man show. But the
3 bottom line is that thanks to American scientists, of which
4 were alluded to the cadre that you have here in Hawaii,
5 we've essentially eliminated famine, except where it is
6 used deliberately as a political weapon.

7 Agriculture is globalized and it is intensely
8 competitive and it's getting more so all the time. So we
9 need a Farm Bill that is going to deal with these
10 realities. It needs to be fair to existing producers. But
11 it also needs to focus on how to keep us competitive, to be
12 fair to consumers, and to create opportunities, as Merlyn
13 said, to the next generation of producers to reduce these
14 barriers to entry for young farmers. And all of that is
15 collectively a very hard balance to strike.

16 If we're going to stay competitive, we're going
17 to need to continue to keep investing in ag sciences and ag
18 education as well as infrastructures. Those are issues
19 that we're going to talk about today. But we also need to
20 focus on investing in human capital, in conservation and
21 environment, and in determining what equates to a
22 competitive world development strategy in our rural
23 communities and rural regions in the social and human

24 investment components that surround all of that.

25 We do have a commitment to conservation and

1 environmental protection, and we have to balance that in
2 the social needs and production agriculture with everything
3 else. So I am adamant about hoping that you will address a
4 number of these issues today.

5 And last but not least, we need to create
6 opportunities for young people off the farm. A classic
7 example: In my class, my high school graduating class of
8 1964 -- I hate to say how long ago it was -- there were
9 about sixty-five graduates in our class. A lot of us went
10 off to college. As a matter of fact, most of us did. But
11 of those who did, I believe, and I'm not one hundred
12 percent sure of this, but I believe I was the only one who
13 came back to the farm in my home town. I was the only one
14 that went to college that came back.

15 There were others who wanted to, but there just
16 weren't enough good opportunities. And that's been a
17 problem in small towns and rural communities for
18 generations. And that's something we want to change. I
19 believe we can. We have great opportunities today to
20 diversify the rural economy with value-added production,

21 new bio-based products, alternative energy, and broadband
22 along with the more esoteric sorts of opportunities that I
23 like to call place, of which you're very familiar with
24 here. And I am particularly interested in your thoughts in
25 all of these issues.

1 So we've got plenty to discuss. I'm going to sit
2 back and take a lot of notes. I'm going to let most of you
3 do the work. I urge you, after we're done, to look up the
4 transcript of today's proceedings at the USDA web site. I
5 would like you to follow up, and if you feel compelled, to
6 send in more information, give us more insights and more
7 thoughts after you've had a chance to reflect on what we've
8 discussed today.

9 This is the beginning of the discussion of the
10 development of the Farm Bill. I am very pleased to
11 indicate that I think that these have been most effective.
12 Because what they're helping do is to disconnect us from
13 the traditional K Street lobbyist approach to Farm policy
14 and Farm Bill development. We are gleaning a great deal of
15 insight from what you have to say and tell us. And I'm
16 looking forward to it. Thank you so much for taking your
17 Saturday, time out of your day to spend with us. And I
18 hope it will be as beneficial to you as I'm sure it will be

19 for us. Thank you again.

20 THE MODERATOR: A couple housekeeping issues, if

21 I may. If anybody would like to sit down, we've got a lot

22 of seats. Can we sit up in the front here? If anybody

23 would like, we've got a number of seats here. There are a

24 number of seats around. If you would like to sit, this

25 would be a good time to get yourself seated in.

1 I'd like to talk about a few housekeeping issues,

2 if I may. If you folks would like to have some specific

3 information about USDA and some of the programs, there's a

4 number of booths and a number of representatives that will

5 be in the other room, both after this session and also at

6 the break. So if you would like to ask some questions and

7 get some specific information, that's the time to do that.

8 Also, what we would like to emphasize is that

9 today is a listening session. It's not a debate. It's not

10 an argument of any sort, but we're here to gather

11 information from you. And to help and assist on that, we

12 have two microphones here. And what we're going to

13 entertain is that you can come up to a microphone and speak

14 for two minutes at any one time.

15 Being that we have a lot of people here and would

16 like to give everyone an opportunity to speak, what you are

17 invited to do is come up to the microphone, maybe even
18 establish a line, and go from one side to the other. And
19 we have a court reporter of a sort here plus a
20 tape-recorder, so we will be documenting all of your
21 comments. So it's really not, once again, a time for
22 debate or arguments. It's just more of a time for
23 gathering -- there's a microphone over here too.

24 So as you guys are starting to gather, as you're
25 starting to get up there, I have some other grounds rules

1 for you on this, if we may, is that as you begin to speak,
2 would you be kind enough to identify yourself and your
3 involvement with agriculture and also where you live.

4 All right. Let me just check my notes, make sure
5 we've got everything covered. You're going to be limited
6 to two minutes. We have a large hook. So if you go longer
7 than two minutes, we'll just pull you off to the side. You
8 can speak a second or third time as long as you go back
9 through the line again. So we'll be entertaining that. I
10 think I've got everything down. Lorraine, did I miss
11 anything? All right. Good. One other thing, as you're
12 still starting to get in line, I do want to thank you-all
13 for letting me MC this activity. It's been real exciting

14 meeting some great people and to participate in an activity
15 that I think will really make a difference for Hawaii. So
16 let me start with this young lady over here on my left.

17 VIRGINIA ISBELL: Thank you. That's very nice of
18 you since I'm much older than you are. But that's okay.
19 My name is Virginia Isbell. I represent the Central Kona
20 District, and I live in Kealahou. I represent on the
21 County Council. And I would like to say to you that,
22 frankly, Linda Lingle and Ed Case did a beautiful job of
23 presentation that I think just about covered everything.
24 So what I would be doing is emphasizing what they said plus
25 a few more things.

1 The Honorable Undersecretary Tom Dorr,
2 Undersecretary Merlyn Carlson, Governor Lingle,
3 Representative Case, and I don't know if Mayor Kim is here,
4 but I thought he might be. Welcome to Kona, and Aloha.

5 This week we are celebrating the Kona coffee, and
6 this is also the time coffee is in full blast, all picked
7 by hand. That's probably why you don't see a lot of
8 farmers here today because they're either in the parade
9 like I was, or they're at home picking coffee because it is
10 really ripe right now. This island has more farmers per
11 capita than any other island in the state. But we are also

12 the most diversified, from flower growers, papaya, mac
13 nuts, avocado, vanilla beans, truck farming, and list is
14 endless.

15 Since we have thirteen of the sixteen climatic
16 conditions in world, we can grow just about anything. But
17 we are also the most isolated. Tourism is one of our
18 greatest assets. But with it come travelers from all over
19 the world who often carry with them plants, fruits that are
20 diseased with results like the fruit fly, the white fly, or
21 small travelers like the Coqui frog. How can you help us
22 with disease and pest control?

23 Land is expensive in Hawaii, but we would like to
24 encourage students to enter the ag industry. One barrier
25 is the huge capital cost to farm. This is a question for

1 you, and I'll be giving you a copy of this. How should
2 farm policy address the needs of potential, next generation
3 of farmers to encourage rather than to discourage them.

4 The University of Hawaii Research Department is
5 noted worldwide and receives federal grants to develop
6 unique hybrids for coffee, mac nuts, fruits, vegetables,
7 flowers and pharmaceutical plants. However, these
8 scientists are allowed to sell the newest hybrids to the

9 third-world countries who then compete with our local
10 farmers. Question: How should farm policy be designed to
11 maximize U.S.-Hawaii competitiveness and our country's
12 ability to compete? And I have the rest here in writing,
13 and I'll hand it to you. And I'm finished. Thank you.

14 THE MODERATOR: All right. Real good. Thank
15 you, very much. By the way, you don't have to hand it to
16 us. There's a box on the corner there at the help table,
17 and you could submit all of your written documents there.
18 Also once again, if there's anything you would like to add
19 in, you could always go onto the web page and that should
20 have all the information you need. So thank you. It's
21 green like agriculture.

22 BOB HERKES: I'm Bob Herkes, state
23 representative. I represent the southern end of this
24 island, probably the largest agriculture district in the
25 state. Governor Lingle, thank you, very much, for being

1 here. Congressman Case is a valuable ally of ours in the
2 U.S. Congress because he knows this district and he knows
3 agriculture.

4 First, the country of origin is so important to
5 us in macadamia nut as well as coffee. We have a major
6 player now owning -- well, a major processor of macadamia

7 in my district. Our fear is they're using Australian
8 kernels, going to the mainland for processing, throw in a
9 couple of island kernels, and call it Hawaii macadamia nut.

10 We have the same problem with coffee. You read
11 all the labels about all of the wonderful Kona coffee, but
12 little do you know that it's only ten percent Kona coffee,
13 and all the rest is imported green beans. So country of
14 origin is very, very important to us, and I have most of the
15 macadamia nut and coffee growers in the state.

16 Water is a huge issue in my district. There are
17 two stretches of thirty miles each that has no developed
18 water system at all. For example, from South Point to
19 Hookena, thirty miles, no water. They are working on a
20 water well for Ocean View. Unfortunately USGS is taking
21 forever to try to drill that test well. And they are doing
22 some work on Honomolino ag water system. And there are
23 some people here that work on that.

24 But my problem with that is it's such a huge
25 plan. It's one of the things that's going to end up on the

1 shelf and not be used. We want to know how we can get
2 water tomorrow. We need to be more focused on how we can
3 get water to the farmers and the people in the district,

4 these sixty miles that I represent, thirty each.

5 Agriculture energy: If we had developed
6 agriculture energy ten years ago, the plantation towns of
7 Pahala and Naalehu would still have jobs instead of being
8 dysfunctional communities, dysfunctional families with
9 crystal meth problems.

10 And I just want to say Lorraine Shin is great.

11 And that's my comments.

12 THE MODERATOR: Lorraine Shin is great. Yes,
13 Bob. Thank you, so much. All right. Yes, sir.

14 SKIP CONNELL: I'm Skip Connell. I'm the
15 president of the Hawaii Association of Conservation
16 Districts. I've been involved with conservation districts
17 for thirty years. And two of my dreams have come true this
18 week, actually. And one is when Governor Lingle signed the
19 Tropical Forestry Recovery Act, 102574, in April, I believe
20 it was. I had the opportunity to go with Bob Masuda and
21 see that facility. That's what -- I have really been
22 pushing for that in Hawaii and the South Pacific Islands.
23 And the other is the opportunity to come here and talk to
24 you about our uniqueness about Hawaii and South Pacific
25 Islands.

1 I've been working for the last few years with

2 representatives of municipalities, the commonwealths of the
3 South Pacific, Alaska, Virgin Islands, and so forth. So we
4 came up with a resolution that we're going to initiate
5 here, have a coalition of noncontiguous United States. We
6 are not included in the Farm Bill. And I will give this to
7 Congressman Case. I would like to talk to him later.

8 What we are trying to do is figure out how we can
9 be recognized. I started my trips to the South Pacific in
10 1958 when it was a Garden of Eden. You could go to any
11 island, and you had to hide behind a coconut tree to bait
12 your hook so the fish wouldn't grab it. I've been in the
13 last three years to some of these islands that are trusts
14 under the United States. I'm appalled. We have really let
15 our people down there.

16 The islands do not have fish. There's silted
17 ground water. Majuro Atoll, where we went ahead and put
18 all the Bikini-Eniwetok people, I was there in 1958 and I
19 thought it was paradise. I could fish, I could swim, I
20 could see a million miles under that water. I went back
21 there three years ago, and I lifted up a rock to look for a
22 shell, and it was silted and dead. Garbage bags hanging on
23 the coral reef. Raking the reef with excavators to put
24 their garbage in there.

25 We did this to them. And that's why we're

1 forming this group to address the peculiar problems that
2 are associated with the South Pacific Islands. And in the
3 new Farm Bill, we would like to have this portion added so
4 we can maybe have some equality and help these people
5 survive before it gets too far from the rest of the world.
6 Thank you, very much.

7 THE MODERATOR: Well stated. Thank you, Skip.

8 BOB MASUDA: Governor, gentlemen, my name is Bob
9 Masuda. I'm deputy director of the Department of Land and
10 Natural Resources. We have written testimony that we will
11 present that's a little more extensive. But going from
12 three to two minutes is going to cause me to have to read
13 very fast.

14 DLNR is a state agency charged with protecting
15 and managing Hawaii's unique natural and cultural
16 resources. We oversee 1.2 million acres of state land,
17 410,000 acres of coral reef, and 160,000 acres of
18 agriculture land, among various things. My comments today
19 will focus on value, importance, and improvement of the
20 conservation program of the Farm Bill, opportunities for
21 agriculture conservation programs in Hawaii.

22 Conservation programs in the Farm Bill provide
23 tremendous benefits to our nation's environment, wildlife
24 resources, agriculture and rural economies. Hawaii has
25 unique opportunities to apply the agricultural conservation

1 programs to restore endangered species, protect the largest
2 expanse of coral reefs in the nation, control invasive
3 species, enhance water quality, and protect our agriculture
4 production. Forest stewardship programs such as CREP, WHIP
5 and EQIP all have effective programs that should be
6 continued for their contribution to conservation and
7 environmental protection.

8 As the Congressman indicated, we have the
9 regrettable distinction of being the endangered species
10 capital of the world with three hundred and seventeen
11 federally listed threatened or endangered species. Many of
12 these plant and animal species are found on agricultural
13 lands and private lands. Private landowners have the
14 important role in preserving them. I think cost-sharing
15 programs can be improved. We have over five thousand
16 introduced non-native species and over five hundred harmful
17 invasive species. Over one hundred non-native organisms
18 become established on the islands every year.

19 Farm Bill programs have the potential to control

20 weeds and invasive species on thousands of acres of ranch
21 and farm land in Hawaii. We are in the process now of
22 negotiating a Conservation Reserve Enhancement Program with
23 the Farm Services Agency to establish riparian buffers and
24 native hardwood forests on twenty to thirty thousand acres
25 of marginal pasture land and farm land. We hope to move
1 forward on this.

2 THE MODERATOR: Thank you, Bob. I'm sorry, Bob.
3 I have to let you-all know I'm a speaker, and two minutes
4 just gets me warmed up. So I understand the challenge.
5 And as we have lots of people, we're held to the two
6 minutes. I shouldn't even be talking now. I am taking
7 your time. You can stand back in line, and we'll listen to
8 you if you like. I have to apologize. When I start to ask
9 you to stop, it's painful to me, I appreciate you
10 respecting that. Yes, sir.

11 ALAN KENNETT: Undersecretaries Door and
12 Carlson, Governor Lingle, thank you, so much, for having
13 one of these listening sessions here in Hawaii. It really
14 is important for us that you saw fit to come here.

15 My name is Alan Kennett. I'm the president and
16 manager of the one of two remaining sugar companies in
17 Hawaii, Gay and Robinson, on the island of Kauai. And I

18 truly value the time we spent on Tuesday in which we had
19 the chance to share with you our energy plans at Gay and
20 Robinson.

21 The state of Hawaii has the most desirable
22 growing condition in the world for growing sugar cane. And
23 sugar cane is the most energy-efficient crop that can be
24 grown and the one that can provide the most alternate
25 energy of any crops in the world. And nobody grows it

1 better than we do here in Hawaii.

2 Hawaii as a sugar producer can compete with the
3 other cane-producing states purely on a cost to get sugar
4 in the bag. Our problem is the high cost of transportation
5 to get our sugar to the market. We have only one mode of
6 transportation, shipping, unlike other states who as well
7 as shipping have trucking, rail, and barge. Also because
8 there is only one sugar refiner on the West Coast of the
9 United States, the Hawaii sugar industry has a
10 one-and-a-quarter-percent transportation penalty imposed
11 upon on it.

12 Congress recognized this during the last Farm
13 Bill, and a resolution was passed requiring USDA to study
14 the disadvantages to Alaska, Hawaii, and the U.S.

15 Territories as it relates to shipping and make
16 recommendations to Congress to address this issue. I hope
17 this has been done, and we will see something positive in
18 the next Farm Bill.

19 Gay and Robinson, however, is not standing still
20 looking at just staying in sugar. And as I just shared
21 with you, we have exciting energy plans on the drawing
22 board. We're going to convert our sugar operation into an
23 integrated energy farm. And thanks to Governor Lingle and
24 her administration, we finally got a mandate which requires
25 ethanol to be used in the state beginning April of next
1 year. And I thank you for that, Governor.

2 THE MODERATOR: Thanks, Alan. That was right on.

3 ERIC TANOE: Hello and good morning.

4 Undersecretaries Dorr and Carlson, Congressman Case,
5 Governor Lingle, I'm Eric Tanoe. I'm representing Green
6 Point Nursery, and also I'm speaking to Hawaii Florists and
7 Shippers Association, a state-wide floral and ornamental
8 group. Thank you for this opportunity to speak to you
9 today. The Emergency Conservation Program, ECP, and
10 Non-insured Assistance Program, NAP. ECP and NAP both have
11 \$2 million revenue cap limits. ECP also has a maximum
12 eligibility of two times per twenty-five years.

13 Eligibility limits and income requirements for
14 both programs need to be amended. The revenue cap of
15 \$2 million annually is disqualifying farmers and ranchers
16 who are committed, can be competitive globally, can have
17 generation succession in place, and successfully practicing
18 group conservation and stewardship for our environment.
19 The unintended consequences of eligibility of two times per
20 twenty-five years is hurting farmers and ranchers. We feel
21 that this is not farmer- and rancher-friendly.

22 THE MODERATOR: Thank you, Eric. By the way, as
23 we go, and I appreciate your formality of recognizing
24 everybody who is up here, and I think that your time could
25 be better used -- I mean, I think they've been welcomed,
1 so you don't have to do that as a formal introduction, if
2 that's all right with you folks up here. Just say your
3 name, who you are, and you can get right into it.

4 I appreciate the kindness that you're all
5 showing, and I'm sure everybody here does. But two minutes
6 goes real fast. So if you would.

7 SANDRA SCARR: Good morning, Governor Lingle,
8 Representative Case, and you wonderful people from
9 Washington. My name is Sandra Scarr. I represent the Kona
10 Coffee Council. The Kona Coffee Council is a non-profit

11 organization representing more than three hundred Kona
12 coffee farmers and processors. And we were delighted to
13 have Representative Herkes mention that coffee should be
14 included in the country-of-origin labelling legislation,
15 COOL, and we've written to Representative Case about that.

16 This is very important. This is the only state,
17 Hawaii is the only state that produces coffee. We are
18 unique in the United States. And we have a very important
19 coffee crop here in Kona. This Kona crop is grown by some
20 six hundred small farmers. We are all small business
21 people. I have a five-acre coffee farm in Holualoa.

22 We are different from other islands in that we
23 are small business over here. We very much want some
24 greater recognition and protection for our Kona name. The
25 Kona Coffee Council voted last January at its annual
meeting to seek legislation that would increase the
2 percentage of Kona coffee required in a blend in order to
3 use the Kona name. We would like very much for that
4 percentage to reach fifty percent.

5 But we also need protection on the mainland for
6 the Kona name and its use in connection with coffee, so
7 we're looking for some greater money and funds in this
8 legislation to support the protection and marketing of one
9 hundred percent Kona coffee. We think we have a great

10 product. We know we have a great product. We want to see
11 it out there in the marketplace. And as a specialty
12 product unique to the state of Hawaii, we would very much
13 like more resources to be available to our State Department
14 of Agriculture to help market and protect Kona coffee, and
15 we would like federal help to do those same things. Thank
16 you.

17 THE MODERATOR: Thank you, Sandra.

18 JIM GREENWELL: Good morning. I'm Jim
19 Greenwell, president of the statewide Hawaii Cattlemen's
20 Council. Approximately one million of our state's four
21 point two million acres are in some form of grazing. Use
22 of much of this land has been cattle ranching for over a
23 century. The economic, logistical, and regulatory
24 challenges of ranching in Hawaii are at least as great here
25 as anywhere in the U.S.

1 Furthermore, the real estate value of much of
2 this underlying land has been appreciating exponentially.
3 Nevertheless, most of our ranchers and landowners are not
4 prepared to quit or cash out. They are deeply committed to
5 continue managing and caring for their land, not just as
6 irreplaceable, long-term working resources, but also as

7 critical components of Hawaii's broader ecosystem and rural
8 communities.

9 Farm Bill programs have been a tremendous aid and
10 catalyst to Hawaii's ranchers encouraging and rewarding
11 good management and conservation practices. Specifically
12 we offer three comments: First, we urge shifting more Farm
13 Bill funding to conservation and stewardship programs for
14 our working agriculture lands so we can do even more with
15 such excellent programs as WHIP, EQIP, CRP, GRP, and
16 hopefully, as Bob mentioned, if we can soon get it
17 established, CREP.

18 Secondly, in Hawaii much of the land rights for
19 increased investment of conservation dollars is held by
20 relatively few large landowners. We urge a review of ways
21 to amend the two point five million AGI cap without
22 jeopardizing the smaller ranchers' and farmers' priority to
23 significant portions of that funding.

24 And finally, as to the Endangered Species Act, we
25 support the current efforts in Congress to amend it to

1 ensure that it more fairly regulates without unduly
2 frustrating the efforts of either the private landowners or
3 the government agencies that implement Farm Bill programs,
4 such as FSA and NRCS, to best use and manage for a

5 reasonable balance of economic and conservation benefits.

6 Thanks for coming to Hawaii.

7 THE MODERATOR: Thank you, so much, Jim.

8 PETER HAIN: Welcome to Kona. My name is Peter

9 Hain, and I'm a vice-president of Big Island Abalone

10 Corporation. My company operates a ten-acre aquaculture

11 farm located at the Natural Energy Laboratory here in Kona.

12 Big Island Abalone exports seventy tons of live shellfish

13 to Japan annually with a gross income sales of \$3 million.

14 Aquaculture is the fastest growing segment of

15 agriculture in the United States. The aquaculture farmers

16 located at the Natural Energy Laboratory account for over

17 seventy percent of the value of aquaculture products

18 produced in the state of Hawaii. The combined output of

19 these farmers ranks them as thirteenth on the island of

20 Hawaii in sales of all business and the second largest

21 component in the diversified agriculture.

22 Aquaculture worldwide is a highly competitive

23 business. Big Island Abalone competes directly with

24 farmers in at least five of the countries for a share of

25 the Japanese live abalone market. Farmers, whether they

1 grow their crops in soil or water, have the same basic

2 requirements for a profitable business: affordable land,

3 water, energy, and access to capital.

4 In the last two years the aquaculture tenants at
5 the Natural Energy Laboratory have seen their rates for
6 land double, and the cost of water has risen by twenty
7 percent per year. Over the last year, electrical rates
8 have risen by twenty-three percent, mostly due to fuel
9 surcharges. New farmers wanting to pursue aquaculture at
10 the Natural Energy Laboratory will be faced with three
11 times the cost of water, two times the cost of land, and a
12 fifty percent increase in electrical rates compared to just
13 two years ago.

14 Almost every farmer needs assistance of a lending
15 institution or investors to start or expand their business.
16 In the case of abalone, as with starting a vineyard or an
17 orchard crop, a long time, on the order of several years,
18 is required before a product is harvested and sold.
19 Without predictability and stability of input costs, a
20 meaningful business plan is difficult to prepare, and
21 therefore access to capital is severely limited.

22 Hawaii's government has stated a commitment to
23 diversified agriculture and aquaculture. In order to
24 remain competitive in a global marketplace, Hawaii
25 aquaculture farmers require a level playing field in terms

1 of the cost of land, water, energy, and access to capital.

2 Thank you.

3 THE MODERATOR: Thank you, Peter. And once
4 again, Ladies and Gentlemen, we do take all the written
5 concerns that you have as well. So if we do cut you off,
6 feel free to submit them in writing or stand in line again.

7 Yes, sir.

8 ROGER DILTS: Good morning. I'm Dr. Roger Dilts.
9 I'm on the local conservation district as well as the Farm
10 Bureau director on the latest successful campaign here in
11 Hawaii to maintain our agriculture water rates back in 2000
12 combined with the Farm Bureau.

13 I'd like to bring up an issue that I became aware
14 of when I attended the national conference supported by
15 Christine Todd Whitman, who was then head of the EPA, and
16 it relates to the Farm Bill in terms of security of our
17 water supply and security of our watersheds.

18 Much of our federal funding and grant programs
19 today are directed towards impaired water bodies, and that
20 is directed through EPA. Where I see a large growth and a
21 need in the current Farm Bill will be the preservation of
22 our pristine or high-quality watersheds. Presently there's

23 no federal programs that I'm aware of, other than those you
24 mentioned such as EQIP and WHIP, that would indirectly
25 support these.

1 In the coming future our water and our food
2 supply are going to be two primary security concerns for
3 our nation. And I believe the Farm Bill is in a position
4 to integrate the resources necessary to protect our
5 watersheds through either NRCS, local conservation
6 districts, or even further study to large groups and
7 providing some type of mechanism for ranchers who provide a
8 unpaid service for us now which is keeping this tremendous
9 open space and allowing us to collect our water supply.

10 As you may be aware, in Hawaii we have a long,
11 long history of agriculture. Representative Case very
12 pointedly brought that out as well as a long list of our
13 agriculture needs. He's done very well. But we have a
14 tradition of ahupua'a, which is that there is a slice of
15 land that goes from the mountain to the sea, or makai to
16 mauka. And this is designed on a watershed basis. I would
17 like to see the Farm Bureau go into the future and predict
18 in the future with this vision in mind that we need to
19 protect our watersheds and manage all of our resources,
20 both our food -- through a watershed management. Thank

21 you, very much.

22 THE MODERATOR: Thank you, Roger.

23 DEAN OKIMOTO: Hi. My name is Dean Okimoto. I
24 am currently president of the Hawaii State Farm Bureau, and
25 I also have -- I'm a farmer on the island of Oahu. I do

1 lettuce farming on Oahu, and I also run a distribution
2 company on Oahu where we distribute all local produce. So
3 my involvement with the Farm Bureau and everything else is
4 always about being local and promoting local-grown things.

5 Hawaii is a state of minor crops located in the
6 most remote location from any adjacent land mass in the
7 world. The despite being a state within the United States,
8 our geographic location and late entry into the union has
9 left us disqualified for many benefits available to farmers
10 and ranchers within the contiguous states.

11 Our primary request is that the premise by which
12 the 2007 Farm Bill is drafted recognize the regional needs
13 of all the states in the union and there be an effort of
14 fair distribution of benefits to keep agriculture in all of
15 the states viable and productive for future generations.

16 A study commissioned by the 2002 Farm Bill
17 investigated the impacts of geographically disadvantaged

18 farmers and ranchers. Our unique situation in Hawaii is
19 like no other in the entire country. We urge
20 implementation of programs to address the findings of the
21 report. We welcome your visit to Hawaii and encourage you
22 to come back to our state more often so that you can get a
23 better understanding of the many unique challenges and
24 opportunities of Hawaii's farmers and ranchers. Thank you
25 for this opportunity to provide our views on this important
1 matter.

2 THE MODERATOR: Thank you, Dale.

3 MICHAEL KATZ: Aloha. My name is Michael Katz.
4 I'm here in two roles. One is one of those coffee farmers
5 who should be out there picking beans today rather than
6 being here. But with that said, it's very difficult for a
7 small farm to deal with the government institutions that we
8 need to deal with in order to get the benefits that you
9 folks are talking to us about today.

10 We had a grant in that was approved two years ago
11 for a project with the USDA, and we're still waiting for
12 the USDA to come back with their stamp of approval for us
13 to go ahead with that project. And that level is maybe a
14 large farm can put people on, can get aggressive actions
15 on. But in terms of a small farm, the amount of money and

16 time that we've spent just trying to get the programs that
17 are already in existence is simply prohibitive.

18 I was a little bit dismayed earlier on today when
19 we were talking about the protection for Hawaii's crops.
20 And yet here in the middle of the Kona coffee area, coffee
21 wasn't mentioned as one of the primary crops. And in this
22 area it's obviously -- except by the undersecretary, I'm
23 sorry. He talked about people picking coffee. In this
24 area, the issues we face as small farmers are immense.

25 Number one, from the procurement of workers,

1 it's not anywhere as easy to get workforce in here. And
2 again, as a small farm, six hundred and sixty small farms
3 in Kona alone, and that doesn't even count the coffee
4 farmers in the rest of Hawaii.

5 I'd like to take my remaining thirty seconds to
6 speak as a board member of Hawaii Island Land Trust. We're
7 an organization that's been formed a few years ago with the
8 objective of protecting important lands, getting them into
9 conservation easements so that they can be used for
10 farming, they can be used for ranching, they can be used
11 for sustainable agriculture in addition to conserving lands
12 for open space, et cetera. And we hope that this bill will
13 not only protect the large ranchers, but will also provide

14 for protection of small pieces of property that we have a
15 predominance of here in Hawaii. Thank you, very much.

16 THE MODERATOR: Thank you, Michael.

17 ALAN TAKIMOTO: Good morning. My name is Alan
18 Takimoto. I'm the executive director of the Hawaii Farm
19 Bureau Federation. Basically my president, Dean Okimoto,
20 spoke about our disadvantages geographically. I will be
21 speaking on the unintended consequences of the farm policy.
22 As you know, our state is an island state, and that we have
23 many unique crops that are not common to the mainland
24 United States.

25 However, they tend to be crops and products that
1 also can be easily grown and produced in the subtropics
2 across the world. As the United States seeks to address
3 free-trade agreements, there must be some means of parity
4 for farmers. For example, our cut flowers and foliage
5 industry is directly competing against countries like East
6 Asia and Central America. Another example, orchid leis,
7 synonymous to Hawaii, are now being mass-produced in
8 Thailand. And our farmers cannot compete with the prices
9 they are being landed in Hawaii.

10 In the development of the 2007 Farm Bill, we
11 respectfully ask that you keep Hawaii in mind as you form

12 your policy decisions and ask yourself: Does this fit
13 Hawaii's unique situation, or will this adversely affect
14 our growers in Hawaii? We have a lot of unique issues
15 specific to Hawaii, such as, easing our costs of
16 transportation, developing our irrigation systems,
17 protecting our island state from pests and disease,
18 increasing our export capabilities overseas, and meeting
19 the research needs of our specialty crops.
20 The Farm Bill needs to take into consideration
21 and make sure that there is no unintended consequences. I
22 have with me today statements from our members that could
23 not be here today, and I'll be submitting that into the
24 record. Thank you.

25 THE MODERATOR: Thank you, Alan.

1 Ladies and Gentlemen, if you would like to do
2 this -- we're going to take a break in about six minutes,
3 so if you could -- I was going to say, if you could
4 remember the behind of the person in front of you, that
5 will help you keep your spot. So we're going to take a
6 short little ten-minute break at twelve-thirty. So if you
7 can just make sure you know where you are. And so maybe
8 two people back on both sides, we'll take those comments,
9 and then we'll take our break. So take a look at the

10 person behind you and in front of you. You can sit down if
11 you like, or you can continue to stand. We'll take a break
12 in about six minutes.

13 STACY CARVELO: Aloha. My name is Stacy Helm
14 Carvelo, and I'm from the little island of Molokai. Our
15 rural landscape is our island's asset. We have a
16 population of seventy-four hundred, and we're two hundred
17 sixty square miles in size. I'm here today as board
18 president of the volunteer group that's called Molokai
19 Enterprise Community.

20 We're a grassroots organization that stands to
21 implement the ten-year strategic plan for Molokai that USDA
22 administers under the Rural Community Empowerment Program.
23 Our island is the only the federally designated enterprise
24 community in the state of Hawaii. I would like to comment
25 on Questions 4 and 5.

1 How can farm policy best achieve conservation and
2 environmental goals? Simply, the Farm Bill policy affords
3 the delivery of rural development programs. The Molokai
4 EC, in partnership with federal, state, and private
5 collaboration, achieve conservation and environmental goals
6 by protecting and enhancing high-quality, native rain

7 forest community with its East Watershed project. The
8 purpose of our watershed partnership with the Nature
9 Conservancy and private landowners for watershed
10 preservation and restoration is critical to reviving the
11 economy in a way that sustains the lifestyle and character
12 of Molokai.

13 Another conservation project that we have is the
14 Northwest Erosion Project. We know that's a problem in the
15 northwest area of Molokai. We also partnered with Maui
16 Electric. An opportunity for residents of Molokai to
17 reduce residential water heating costs with clean,
18 renewable solar power is made possible with a grant through
19 your high energy cost rural community. So today we have
20 the Molokai Solar Program.

21 Number 5, how can federal rural and farm programs
22 provide effective assistance in rural areas for economic
23 opportunities? Again, our island, the delivery of rural
24 development programs, we've had the development of a
25 community health center. And I'll pass this on. There's

1 much more that I'd like to share.

2 THE MODERATOR: Thank you.

3 FELICA MOBUKURU GEYSER: Welcome. My name is

4 Felica Mobukuru Geyser. I'm a third generation poultry

5 farmer on the island of Oahu. I would like to express my
6 concerns over the threat of avian influenza to our nation,
7 and specifically to my farm in Hawaii, the Hawaii egg
8 industry, because of our proximity to Asia.

9 Please continue with federal financial support
10 for animal health and disease-prevention programs. Please
11 include a line-item funding for disease control and related
12 surveillance programs for poultry. Please support national
13 poultry improvement programs, research, and indemnity for
14 high- and low-pathogen avian influenza.

15 Would the USDA consider exploring flock insurance
16 for the chick and pullet replacements for producers of
17 non-contiguous states that have inadequate access to
18 commercial hatcheries within its state in the event of
19 disease outbreaks or natural disasters?

20 In the case of livestock indemnity programs,
21 Hawaii egg producers have the highest costs of production
22 in our nation because of our noncontiguous nature. Our
23 chicks, feed, packing materials and farm equipment
24 transported for air or ocean freight -- we pay \$110 more
25 per ton of feed than the West Coast of the United States
1 due to ocean freight. Our chick costs are twenty-nine
2 percent more than the West Coast due to the air freight

3 because we have no hatchery for pullet replacement. If
4 Hawaii producers apply for indemnity, we ask that
5 assistance be calculated on our costs of production and not
6 average costs for the mainland U.S. industry.

7 Hawaii's rural areas are remote island locations
8 with limited or poor infrastructure. Ground transportation
9 is commonly one-way in and out of a community along the
10 coastline. Any assistance with transportation of
11 agricultural goods would sustain employment. Please assist
12 us with exemptions from the Jones Act for agriculture,
13 specifically feed, especially during natural disasters and
14 labor disputes. Thank you.

15 THE MODERATOR: Thank you.

16 JIM WYBAN: Good morning. My name is Jim Wyban,
17 I'm a shrimp farmer here in Kona. My company, High Health
18 Aquaculture is located at the Natural Energy Lab at Keahole
19 Point. We produce SPF shrimp brood stock which we export
20 to twenty-one countries around the world. Our main concern
21 at this point in terms of the competitiveness of our
22 industry and the larger industry of Hawaii as a seed and
23 breeding center for the world is about biosecurity.

24 The largest shrimp farm in Hawaii was devastated,
25 SeaTech, by introduced virus which probably came in with

1 import of raw frozen shrimp from Asia. So what we would
2 like to see is that Hawaii be declared a SPF shrimp zone
3 which would prevent the introduction of these pathogens
4 from Asia by prohibiting the import of raw frozen shrimp.

5 Australia has initiated such a bill to protect
6 their industry, and it works very well. The suppliers of
7 shrimp from Thailand and so forth cook the shrimp first
8 before it's transshipped. And we would see two benefits to
9 that. One, it would protect our SPF industry here in
10 Hawaii; but secondly, it would also create a market
11 opportunity for the local shrimp farms to supply fresh
12 shrimp to the market because imported shrimp would be
13 pre-cooked. Thank you.

14 THE MODERATOR: Thank you, very much.

15 JOE ALDEN: Hello. My name is Dr. Joe Alden. I
16 have a farm called Kona Joe Coffee here in Kona. I would
17 like to see in the new Farm Bill the words ag tourism
18 mentioned. Here in Hawaii, ag tourism represents the
19 marriage of the two most significant economic forces in our
20 state: agriculture and tourism.

21 What it really means is allowing farmers to have
22 visitors come to their farms and make that direct
23 connection with how hard it is to produce these crops here

24 in Hawaii, how hard we work on the farm to produce any type
25 of crop, and also to get an insight into our lifestyle

1 and the culture. Because I think once the consumer makes
2 that connection, they have a totally different concept
3 thereafter of what it means to be a farmer and to produce
4 these special crops here in Hawaii.

5 So often as farmers, what we hear is we want you
6 to farm, but we don't really want you to be in sales. The
7 opposition of ag tourism comes mostly from the people you
8 mentioned, Undersecretary, those living on ag lands who
9 aren't farmers who say we like these lands, they're pretty.
10 At \$100,000 an acre, we want a nice home. But we really
11 don't want tractors or processing or coffee roasting smell
12 or visitors coming to farms.

13 So this is an issue that is really gaining, I
14 think, a lot of momentum here in Hawaii. But we need help
15 and support. If there were some kind of mandate we could
16 have that says we believe in farmers and we want to help
17 farmers and we want to give them some advantages in the
18 marketplace, this would be great. Because what we hear is
19 that farmers aren't good at marketing their own products
20 and selling them, and that's why we need retail stores to

21 do that for them. Well, we know our products better than
22 anyone else. And I think if we're just given the right
23 conditions to do it, we'll be very successful.

24 THE MODERATOR: Thank you, very much Joe.

25 All right, Ladies and Gentlemen. Thank you for

1 your participation and your cooperation. Let's now enjoy
2 some of that great Kona coffee that we have out in the area
3 there. Also talk to some USDA people. See you in ten
4 minutes. Thanks you, so much.

5 (Recess.)

6 THE MODERATOR: Ladies and Gentlemen, I'm open
7 for a suggestion on something. We're having people stand
8 about fifteen people back. That means if you're going to
9 get to speak, you have to wait at least a half an hour. I
10 was wondering if there was some way that you could
11 accurately remember the person who was in front of you,
12 then maybe half of you or three-quarters of you could sit
13 down.

14 As the person right in front of you -- I mean,
15 this is kind of an honor system, but at least you don't
16 have to stand in line all the time if you would like to do
17 that. I'm just suggesting for your convenience, not for
18 mine, because obviously I'm sitting down. So if you would

19 like to do that, if you could tag the person on the
20 shoulder, remember who you are behind, that would be a good
21 way to do it.

22 And let me see if Governor Lingle and Ed
23 Case are coming back. Ed, this young lady won't speak
24 until you get here.

25 Ladies and Gentlemen, you've been really kind and

1 considerate in the way we've been handling things. I think
2 it's been going real smooth. I do again have to thank our
3 people from Washington for being here for developing this
4 forum. Could we acknowledge these people who have come
5 here to listen to us again? I think it's really great.
6 Hope you got some of that good Kona coffee. That was
7 delicious.

8 CAROL KADA: My name is Carol Kada. I live in
9 Waianae, and I am representing the Hawaii Department of
10 Agriculture. The introduction of harmful invasive species
11 continues to be a serious threat to Hawaii's economy, the
12 natural environment, and the health and lifestyle of
13 Hawaii's residents. The influx of these pests causes
14 millions of dollars of crop damage, the extinction of
15 native species, and the destruction of native ecosystems.

16 Government and private partners spent over thirty
17 million in Hawaii this year on invasive species. In
18 addition an estimated three hundred million of lost
19 revenues are due to limitations on our exports because of
20 pest infestation caused by past invasive species
21 introductions. The extent of the loss of Hawaiian flora
22 and fauna is unequalled in any other region of the U.S.,
23 decimating over seventy percent of our endemic land birds
24 and land snail species alone.

25 Although Hawaii is a small state, we have

1 one-third of the listed endangered species in the entire
2 country. The introduction and establishment of invasive
3 species is now the predominant cause of biodiversity loss
4 in Hawaii. Our department has been conducting pest-risk
5 assessments at the Kahului Airport and has found that the
6 highest risk pathway for the introduction of an invasive
7 species is on infested agriculture cargo.

8 Therefore it is of the utmost importance that the
9 department has the ability to inspect and treat agriculture
10 commodities in a facility built to mitigate the
11 introduction of harmful pests and diseases. One such
12 facility is being constructed on Kahului Airport on the
13 island of Maui, funded by DOT and FAA. But this has

14 limited application as the majority of cargo enters through
15 Honolulu air and sea ports. The air cargo volume in
16 Honolulu alone is ten times that of Maui.

17 Therefore, to be effective, an
18 inspection-treatment facility must be funded and
19 constructed in Honolulu. We feel that the farm policy can
20 best achieve conservation and environmental goals by
21 appropriating funds to construct this inspection facility,
22 treatment processing, and adjoining cargo consolidation
23 area. In doing so we can prevent establishment of invasive
24 species that comes through the Asia-Pacific pathway.

25 THE MODERATOR: Thank you, so much, Carol.

1 By the way, Ladies and Gentlemen, one other
2 thing: If you could make sure you're speaking into the
3 microphone, we could hear you better.

4 DEEPA: Hello. My name is Deepa. I'm the
5 co-owner of Kona Joe Coffee. I'm a little nervous right
6 now to speak here. So far I've always represented all the
7 other farmers in my community, but today I'm here
8 representing myself.

9 To me the agriculture-tourism bill is very, very
10 important, and I'm begging the federal and state government
11 to help us with this. I speak from my personal experience.

12 We have grown coffee like wine grapes on trellises, which
13 is a great advancement in agriculture. Trellising grows
14 thirty-five percent more coffee. We also brought the blue
15 ribbon to the United States, also a commendation from the
16 Governor of Hawaii. Thank you, very much, Governor.

17 We have no grants at all for our farm, no federal
18 or state or any kind of grants. I've done everything on
19 our own budget. And unfortunately, we have one of these
20 Newport transplants right next to us. Our farm has been
21 there for ten years. And this couple that have moved in
22 from Newport, they are doing exactly what has happened in
23 Maui. Puunene Sugar Cane was there. Pineapple Hill was
24 there. They come to Maui and then build all these homes,
25 and they complain about the ashes from the sugarcane,
1 complain about pineapple bugs.

2 And this particular couple that have just moved
3 in right next to us have complained, thirty-eight
4 complaints to the city and county, and called the police on
5 us every single night. Farmers have to work fourteen to
6 sixteen hours. I want to know what kind of protection can
7 I get from my government from people like that that just
8 move from the mainland?

9 THE MODERATOR: Thank you.

10 JOHN McCUE: Hi. My name is John McCue. I'm
11 from Aiea on Oahu. I'm the chair for the Hawaii Farm
12 Bureau Environmental Stewardship Committee. I just want to
13 speak to the quarantine issue that the USDA plant-pest
14 quarantine inspects one hundred percent of outgoing
15 Hawaii-grown agricultural and horticultural products. A
16 single live insect or other pest or organism is cause for
17 rejection of an entire shipment.

18 If the shipment passes local USDA PPQ inspection,
19 it again undergoes inspection at the destination point.
20 Again a single live insect or potential pest will bring
21 condemnation and destruction or shipment back to the owner
22 at the grower or shipper's expense. The product can be
23 condemned despite the presence of the pest at the shipping
24 destination. Ironically, at the same time there is not the
25 same level of inspection of produce and plant items coming
1 into the state of Hawaii which has resulted in the
2 introduction of a new alien species on average every
3 eighteen days.

4 These new pests require increasing levels of
5 control measures thus increasing costs to agriculture
6 operations and in some cases economically crippling entire
7 crop industries, for example, papaya and banana. In 2004,

8 the Hawaii Department of Agriculture Plant Quarantine
9 reported activity of 27,144 ship and aircraft arrivals,
10 4,268,559 passenger arrivals, and 13,937,820 pieces of
11 baggage, cargo, and mail parcels.

12 Now, to thoroughly inspect, identify, and
13 mitigate threats and enforce regulations without causing
14 undue regulations will require more resources. We realize
15 that is beyond the resources of our local government to
16 conduct this type of intensive daily inspection. But as an
17 example of the costs associated with controlling just one
18 alien pest introduction, it has been estimated that the
19 cost to agriculture and horticulture in the entire state
20 could be as high as fifteen point five -- \$46.1 million to
21 control just one invasive species. Thank you for your
22 attention. And I have submitted my testimony in the box
23 outside.

24 THE MODERATOR: Thank you, so much, John. Good
25 points.

1 BENES NICHOLAS: Good morning, and Hafa Adai. My
2 name is Benes Nicholas, and I am from Guam. This forum,
3 and the opportunity to be here, I'm very grateful. It's
4 very important to us. In Guam it's about seven hours by
5 jet from Honolulu. And what I'd like to emphasize here is

6 that when considering budget and program policies from the
7 U.S. Department of Agriculture with NRCS's Farm Service
8 Agency, I would like for consideration in formulating the
9 budget so that we take into consideration the
10 cost-of-living allowance or cost of doing business in Guam
11 compared to Hawaii and California and Iowa.

12 It is more expensive to do business in Guam.
13 Almost all the products that we use for like fertilizers
14 and feeds, aquaculture, farmed shrimp production, we import
15 from the U.S. mainland. And by the time it gets to Guam,
16 it's probably fifty percent more expensive than it is in
17 California. So I would like to request that a formula be
18 designed to accommodate the costs of shipment to and from
19 Guam.

20 Also the other point I would like to request for
21 consideration is the competition with foreign labor and
22 foreign imports. Guam is only about three hours away by
23 jet from the Philippines and other countries. We have to
24 compete with imported shrimp, for example. Those imported
25 shrimp that I am competing with in Guam, for example, for
1 me to just survive and stay in business, for example, \$7 a
2 pound for shrimp in Guam minimum. And I'm trying to just
3 survive with that. I'm competing with \$3 a pound shrimp,

4 \$4, \$5 shrimp from the Philippines.

5 I see the signal that I need to conclude my
6 presentation; however, my testimony on some of my issues
7 and concerns are with the Hawaii Association of
8 Conservation Districts. President Skip Connell is one of
9 Guam's main allies with the National Association of
10 Conservation Districts, so the written issues and concerns
11 are with the Hawaii Association. Thank you for the
12 privilege and opportunity.

13 THE MODERATOR: Thank you, Mr. Nicholas.

14 ERNIE WOSS: Thank you, very much. My name is
15 Ernie Woss. I come from Northern Guam -- water
16 conservation. I am the chairman, and now I am the
17 president for the Pacific Basin Conservation District.

18 First of all, I would like to thank Mr. Larry
19 Yamamoto for inviting me out here. I think it is very
20 important that we can participate here. Although we do put
21 in our resolution to the NACD, but we like to get it
22 started early.

23 One of the major concerns, and I think it's a
24 concern throughout the nation, is our health insurance for
25 the farmers. Most of us farmers, we can't get -- we can't
1 afford health insurance. Like myself, I can't afford. I'm

2 just a little corn farmer in Guam. There's a lot of
3 farmers throughout the United States, ranchers and farmers.
4 I believe there's about three million co-operators. So if
5 all of us -- if the Congress can mandate that we can create
6 our own health insurance, self-insured, the farmers, if
7 they can allow us -- I heard some of the states, there's
8 laws that you can't do it.

9 But I believe if Congress would allow us to do a
10 self health insurance, because we do have over three
11 million co-operators and its workers, I think we can handle
12 that and we can afford it. Right now the health insurance
13 runs anywhere from \$400 to \$1200 a month.

14 The other thing is, I'll make it real quick, the
15 Pacific Basin, all the little islands out there, I left
16 that island about thirty-some years ago and I returned back
17 to Guam. And I've been farming there for ten years now.

18 But the mentality is still the same as thirty years ago.
19 The people are still struggling out in the Pacific Basin.
20 Thanks to the NRCS for the sustainable, which is real good.
21 Sustainable is real good. Thanks for the FSA. They're
22 helping us now.

23 But we're not making enough money to pay our
24 insurance. We can't. So if the Farm Bill can focus on

25 little farms, family farms, maybe it can reach us as far as
1 Palau or Guam or Tinian or Rota and as far back as right in
2 our front door in West Virginia, like the little farmers
3 that can't -- you know, that need the help.

4 THE MODERATOR: Good, Carlos. Thank you.

5 ROB SHALLENBERGER: Aloha, and thank you for
6 coming. My name is Rob Shallenberger. I'm the Hawaii
7 Island Conservation Director for the Nature Conservancy.
8 We're part of an organization, international conservation
9 organization, of more than a million members. We have a
10 dozen preserves in the islands, including one on this
11 island, that's specifically acquired and managed to
12 demonstrate that it's possible not only to preserve and
13 restore biodiversity, but to harvest forest resources
14 sustainably.

15 Perhaps more importantly we're members, and we
16 have more than sixty-four colleagues in nine watershed
17 partnerships around the state; most of whom are private
18 landowners who had figured out that conservation is good
19 for business. I just want to suggest three or four
20 specific items: The Conservancy at the national level has
21 been coordinating with the agency and will continue to go
22 so.

23 First of all, please continue and increase where
24 feasible the USDA conservation programs and how they apply
25 in that kind of activity we do in Hawaii. The Nature
1 Conservancy alone has used nearly \$500,000 and leveraged
2 much more than that through other partners for conservation
3 programs. And I know many of our colleagues would like to
4 do the same.

5 Having said that, and while I'm appreciative of
6 that funding, I think things can be done to really
7 streamline the cumbersome application and data management.
8 It's scared some people away, and I think it needs some
9 attention. We're also very supportive of approving the
10 Hawaii Conservation Reserve Enhancement Program. We think
11 this is a boon to the economy and also for conservation in
12 the forest.

13 And finally, you don't need to be talked to about
14 invasive species anymore, but I'll make just three
15 suggestions. First of all, prohibiting the planting of
16 invasive species and increase incentives for planting
17 native species; not so much an issue here, but a critical
18 one on the mainland. Reemphasize the federal
19 responsibility of APHIS and U.S. Customs and border
20 protection, and give pests in natural areas the same kind

21 of attention and priority as pests in agricultural areas.

22 And finally, increase funding for research on invasive

23 species. Thank you.

24 THE MODERATOR: Good, Ron. Thank you so much.

25 GUY KANIHO: Good afternoon. My name is Guy

1 Kaniho. I'm with the Pacific Waste, Incorporated. We are

2 the largest waste hauler on the island. We support the

3 waste-to-energy programs. We have been in recent

4 conversations with the county of Hawaii in regards to the

5 Hilo landfill and those issues.

6 Two problems facing the residents of Hawaii, I

7 believe, is rising cost of fuel. So we support the

8 production of ethanol and affordable housing. I think one

9 of the things that USDA can do in regards to affordable

10 housing is support the funds that go to the distribution of

11 funds for water facilities for the affordable housing.

12 Thank you.

13 THE MODERATOR: Thank you, Guy.

14 MARCIE MONTGOMERY: Hello. My name is Marcie

15 Montgomery, and I'm the executive director of Heritage

16 Ranch. We're a nonprofit organization working here in

17 Hawaii and three other Western states.

18 We have four different types of projects going on

19 here in Hawaii. The very first one I would like to have a
20 chance to thank the USDA for because it received funding
21 through RUS for a distance-learning project. And we're
22 working with two schools here in Hawaii and hope to expand
23 that to other islands also. Currently we're on this
24 island. But we hope to include Kauai and Maui, and
25 possibly Molokai has also expressed interest. So I want to
1 thank the USDA for that funding and also Congressman Case
2 who's provided the letter of support for that.

3 It's been very rare that funding comes to Hawaii,
4 and we've continued to compete in other competitions. And
5 we find that the paperwork process is very cumbersome.
6 We're trying to get funding for a value-added producer
7 grant to promote ag tourism. I've tried two years now.
8 I'm going to try again a third year. And it's really the
9 process of the paperwork that is kind of a hurdle.

10 But there's a tremendous need to create some
11 other type of funding mechanism as well to support ag
12 tourism, outside value-added producing, so that we can
13 focus on educating the consumer to understand the
14 incredible agriculture renaissance that's taking place in
15 Hawaii, right here right now, with all these really
16 creative people who are growing new crops, using them in

17 new ways. And in order to make sure they have a market, we
18 have to educate the consumers to appreciate those niche
19 crops.

20 Another project we're working on is a
21 renewable-energy project. And it has an application
22 currently under review in the high-cost energy area of
23 USDA. But I just got news yesterday that there is a threat
24 to that funding, that it may be diverted to another
25 program. So I want to encourage you to understand, because
1 of the high cost of energy here, it's very hard for farmers
2 to be able to make a profit off their crop when so much of
3 their money is going to just basic operations.

4 So the proposal we had out there is to look at
5 ways to use solar energy to offset the cost for farmers.
6 But if that funding suddenly evaporates, and we're facing
7 increasing costs here because the majority of our energy
8 comes from petroleum-created electricity, we're not going
9 to be able to take advantage of the new technologies. So I
10 wanted to encourage the USDA to keep that funding stream
11 happening and consider increasing it.

12 THE MODERATOR: Thank you, Marcie.

13 LARRY NAKAMOTO: Hello. My name is Larry
14 Nakamoto. We raise leafy vegetables in our area. And we

15 want to repeal NAFTA because the NAFTA didn't help us. And
16 like our food safety, we have to change so much
17 regulations. Cannot even have animals around. The birds,
18 I don't know what we're going to do with the birds. The
19 birds is all in our field. So I don't know what
20 legislators can do about this. But they said no animals.
21 We checked into all this new regulations. It's
22 going to cost us big money. Either it's going to put us
23 out of business, or the federal government got to change
24 this law. It's a voluntary, they said. But we hope it's
25 not going to be a law. But people want it to be -- want to
1 be certified farmers. To be certified, we have to spend
2 big money. For our farm we have to shut down. It's not
3 going to help us, this new food-quality act. So I hope we
4 can have some kind of -- for Hawaii. Because we have
5 animals all over around our field, even mice, rats, birds.
6 I don't know what we can do. I talked to Sandy. I showed
7 her all over. I don't know what we can do about this.
8 It's going to put us out of business. Thank you.

9 THE MODERATOR: Thank you, Larry.

10 EMORY SAIK: Good afternoon. My name is Emory
11 Saik. I'm an environmental consultant with thirty years of
12 experience in the solid waste industry. I speak today on

13 behalf of my client Pacific Waste, a locally owned
14 municipal waste collection company serving the island of
15 Hawaii. I have had the opportunity to come to understand
16 the need for alternate waste disposal practices resulting
17 from the scarcity of environmentally acceptable disposal
18 locations for the continued land filling of the Big
19 Island's municipal solid waste, or MSW.

20 An opportunistic solution exists for disposing of
21 these wastes by utilization of municipal solid waste as a
22 feed stock for conversion to ethanol, by the manufacturing
23 of ethanol, which creates a valued commodity with numerous
24 industrial and commercial applications. This is something
25 that I think is a time of importance for the community to
1 consider particularly under the recently passed energy bill
2 signed into law by the President.

3 The Hawaiian Islands have been specifically
4 identified as a potential beneficiary of federal funds to
5 be utilized for the production of ethanol. Consequently,
6 the federal government has the ability to be of great
7 assistance to the state of Hawaii, both monetarily and
8 environmentally, while helping the elimination of disposal
9 of MSW waste materials into the landfill. These funds,
10 which, as you are aware, offer that a significant volume of

11 bagasse, that's agriculture waste, can be managed in a more
12 beneficial and economic manner in conjunction with MSW,
13 where the highest and best use of that is the conversion
14 into ethanol.

15 In addition, by conversion of the bagasse and MSW
16 and ethanol, the Hawaiian islands can achieve greater
17 compliance with federal mandates to blend the ethanol in
18 formulated gasolines consumed in the Hawaiian Islands.

19 The blending of the gasolines will benefit the
20 environment by reducing automotive emissions and the
21 emissions' impact on the quality of air that we all breathe
22 for generations to come. I wish to thank you-all on the
23 panel for the opportunity to address this meeting and
24 encourage the use of the aspects of the energy bill to
25 support the mechanisms for the conversion of biomass in the
1 islands of Hawaii into ethanol. Thank you, very much.

2 THE MODERATOR: Thank you, Emory.

3 SUE ARENSON: Thank you-all for coming. My name
4 is Sue Arenson. My husband and I own Kona Coast Realty,
5 and I've been in Real Estate on the Kona Coast for the last
6 twenty-seven years. I was born and raised on Oahu and left
7 there when traffic congestion and development occurred so
8 quickly. So I've witnessed all the development that's been

9 happening on the Kona Coast. I'm feeling very frantic
10 about what is going on, and continually property is being
11 subdivided.

12 We face so many challenges right now that I
13 wanted to share with you what I'm just now learning about
14 Honokohau Harbor where there's a million gallons of fresh
15 water streaming out, through infrared photography,
16 streaming out of the harbor. And right now we're about to
17 do another three-times-the-size marina next to it. And
18 there's fear that fresh water will start to flow out of
19 those areas as well.

20 This area I'm talking about is right at our
21 harbor between Kailua-Kona and the airport, in the area
22 where the Kealakehe Ahupua'a exists, which is where
23 Hawaiian Homes is developing hundreds of homes, where we
24 have over three thousand kids in schools. We have a
25 landfill that was put over a lava tube so it's leaching.

1 We have a sewage treatment plant that is discharging water,
2 R-3 water, into a sump, where the fresh water is just
3 streaming out right there. But there's a lot of issues.

4 But we do have an opportunity. We have one
5 hundred ninety-three acres across the street, right below
6 the schools, that we could create a living ahupua'a

7 regional park and have the Hawaiians teach us how they were
8 great stewards of the lands. It's right next to a national
9 park which is eleven hundred acres where thirty-five
10 Hawaiians -- several Hawaiians, thirty-five years ago,
11 designated as a cultural resource to teach land stewardship
12 practices.

13 This Friday, on November 18, at the Waikoloa
14 Beach Marriott, we're having the Kona-Kohala Chamber of
15 Commerce's Second Annual Environmental Conference with many
16 speakers, Kyle Datta from Rocky Mountain Institute, marine
17 fisheries, forest watershed preservation, open space,
18 sustainable development. Thank you, very much.

19 THE MODERATOR: Thank you, Sue.

20 WAYNE NISHIJIMA: Aloha. I am Wayne Nishijima,
21 dean, associate dean, and director of cooperative extension
22 service, College of Tropical Agriculture and Human
23 Resources, which I will refer to as CTAHR, at the
24 University of Hawaii. As a land-grant college, CTAHR is
25 supported for federal funds, state, general, and special
1 funds and grants and contracts.

2 The federal formula funds we receive include
3 Hatch, McIntire-Stennis, Animal Health and Disease, and
4 Smith-Lever funds. In the past five years, our state funds

5 have increased by sixteen percent, and grants and contracts
6 have increased by twenty-seven percent. However, our
7 federal formula funds have either remained the same or been
8 reduced during the same period.

9 Federal formula funds are used by CTAHR to
10 support our multi-state and integrated teaching, research,
11 extension programs such as 4-H programs that the youngsters
12 who opened the program this morning belong to. Federal
13 formula funds are also used to leverage our state funding.
14 Most of Hawaii's crops are minor crops not grown on a
15 commodity scale. Our Hatch-funded research addresses the
16 challenges faced by minor crops grown in our unique
17 tropical environment.

18 This federal support for research enables to us
19 to meet local needs that do not easily fit into competitive
20 programs. Without Hatch funding, Hawaii would not be the
21 unique visitor destination it is today. Growers of
22 tropical flowers, such as anthuriums, the pineapple, the
23 macadamia nut industries, tropical fruits and so on and so
24 forth all receive assistance from CTAHR made possible from
25 Hatch and Smith-Lever funds. Without formula funds, we

1 would be unable to conduct the research that is necessary
2 to produce these minor crops.

3 Rather than diverting formula funds into NRI
4 competitive grant programs, CSREES should invest more money
5 into formula funds. Data show that competitive grant
6 programs provide more support to non-land grant
7 institutions and rarely support minor crops. Thank you,
8 very much.

9 THE MODERATOR: Thank you, Wayne.

10 LEONARD LUNDSTRUM: My name is Leonard Lundstrum.
11 I am a representative of the Hawaii Chapter of the American
12 Bamboo Society. What I have is a request to amend Rule 234
13 of the Plant Quarantine Act. This rule was enacted October
14 1st 1918, and a lot has changed since then as regards plant
15 propagation as well as the utilization of bamboo.

16 This rule was intended to stop the spread of
17 plant diseases specific to bamboo to the U.S. Since the
18 Rule 234 was enacted, modern cultivation methods have been
19 adopted in many countries now producing bamboo. Many new
20 products like laminated dimensional lumber and clothing
21 fabric are now produced using bamboo as a raw material.

22 To increase production of plants to a level
23 needed for this industry, new propagation methods have been
24 utilized. The method that is most productive is tissue
25 culture and mariclone division of plants grown in a sterile

1 laboratory environment. Plants selected for this process
2 are thoroughly screened for disease, and they are grown in
3 sealed flasks that carry no risk of the presence of insect
4 pests.

5 This is the only reliable method to produce
6 bamboo plants of uniform quality and in sufficient number
7 to establish commercial plantations. Bamboo flowers only
8 after very long intervals up to 120 years, and due to
9 genetic variation does not produce uniform progeny.
10 Traditional vegetative propagation including divisions and
11 cutting methods are labor-intensive. The process used in
12 producing bamboo mariclones is complicated and has taken
13 many years to develop.

14 The company that is currently producing these
15 plants, Oprens Plants, is based in the Netherlands with
16 production facilities there, in Belgium, Thailand, and
17 Indonesia. The process is subject to international
18 patents. As such, they own it. At this time Oprens Plants
19 is not interested in operating in the U.S. or licensing the
20 process. Recently Maui and Hawaii Counties have approved
21 the use of one species of bamboo for construction.

22 THE MODERATOR: Leonard, if you'd like to wrap it
23 up. I hate to ask people to stop talking.

24 LEONARD LUNDSTRUM: The bottom line is that the
25 unintended consequence of this rule is that it severely

1 impedes the development of bamboo as a crop in Hawaii and
2 elsewhere in the U.S., thereby reducing and in fact
3 eliminating our country's ability to compete in the global
4 market for bamboo products. In fact, the U.S. is the
5 primary end destination for bamboo products produced in
6 other countries.

7 THE MODERATOR: Thank you, Leonard. I really
8 hate to ask people to stop talking. It's hard for me. And
9 thanks, Leonard.

10 JACKIE HOOVER: Aloha. I'm Jackie Hoover. I'm
11 from Waimea. And I grew up in a family that has for
12 generations and continues to cultivate taro and coffee as
13 well as ranch cattle on this island. I'm also the
14 president of the Hawaii Leeward Planning Conference, an
15 organization of landowners, farmers, ranchers and other
16 stakeholders committed to sound planning, wise use of
17 resources, and effective government process.

18 Today I have two requests. First I ask that
19 higher recognition be given to Hawaii for our isolated
20 grid, agricultural industry, and other opportunities to

21 serve as the nation's greatest opportunity for research,
22 development, and deployment of alternative and renewable
23 energy to minimize our nation's dependence on imported
24 fossil fuels.

25 Second, United Nations currently defines water as
1 a human need versus a human right. I would ask that our
2 Farm Bill identify water as a human right, so that all
3 relevant policy making ensure that water is recognized as
4 such. Thank you for this opportunity.

5 THE MODERATOR: Thank you, Jackie.

6 FRANCIS JUNG: Aloha. My name is Francis Jung.
7 And I've had the privilege of acting as the governor's
8 choice to sit as a Big Island director on the Housing and
9 Community Development Corporation of Hawaii. My point, or
10 the focus of my request or comments, deals with affordable
11 housing.

12 The Governor has recently made available lands
13 for affordable housing that are non-ceded in nature and
14 that are located directly adjacent to downtown Kona. These
15 lands require, however, before development, access to
16 water, water, water. That water is available mauka at the
17 cost of between \$20 million and \$30 million. The number of
18 units that can be produced not only in HCDCH lands but in

19 the directly adjacent Hawaiian Homes Lands is over one
20 thousand units.

21 If the Department of Agriculture can assist the
22 Governor in her efforts to provide water to this
23 development, many, many families that are now living on the
24 beaches and the shores and culverts can enjoy the benefits
25 of affordable housing. By the way, in Hawaii affordable
1 housing means a cost of \$250,000 or less. That's what it
2 takes to live affordably in Kona. Without the assistance
3 of the state, the county, Governor Lingle's efforts will be
4 severely curtailed, although she's doing her best. We
5 appreciate it. We'd appreciate any help you can give us.

6 THE MODERATOR: Thank you, Francis.

7 ERIC TANOE: Eric Tanoe, Green Point Nursery,
8 Hawaii Florists and Shippers Association. Catastrophic
9 Assistance Program, CAP, C-A-P, Federal Programs Act, as
10 re-insurance agents as opposed to insurance agents as was
11 the practice in the past. Federal programs needs to return
12 to the insurer role and offer more insurance programs to
13 other commodities not covered today.

14 All crops in Hawaii are considered specialty
15 crops. There are only five crops covered on the CAP. All
16 other crops must be covered on the NAP, N-A-P. Again,

17 successful farmers and ranchers are ineligible if over
18 \$2 million revenue annually. Environmental Quality
19 Incentive Program, a cost-sharing conservation practice
20 managed by NRCS. New farmers are not qualified nor do
21 existing farmers -- deemed ineligible if their practices do
22 not meet federal requirements of EQIP.

23 The programs should be both regulatory and
24 educational. For example, Hawaii Department of
25 Agriculture's pesticide program practices both regulatory

1 and educational roles successfully. The unintended
2 consequences are not maximizing U.S. competitiveness
3 globally and discouraging our new farmers and ranchers in
4 the next generation of production agriculture. The farm
5 policy is not effectively and fairly distributing
6 assistance, so our existing producers cannot achieve best
7 practices of conservation and environmental goals. We show
8 the policy has not been farmer and rancher friendly. The
9 down side would be that if our producers not assisted to
10 comply, we could be experiencing more lawsuits against our
11 producers in the future. Thank you.

12 THE MODERATOR: Thank you, Eric.

13 DIANA DUFF: I'm Diana Duff, and I'm an organic
14 coffee farmer. But that's my hobby. I'm an educator in

15 the greening and landscape industry. And I represent both
16 the Hawaii Island Landscape Association and the state-wide
17 Landscape Industry Council of Hawaii Today.

18 Our members are part of an industry that produces
19 and exports foliage plants, provides expertise in planning
20 and construction of the tropical resort grounds, builds and
21 maintains extensive turf areas for golf courses,
22 multi-family housing, commercial and industrial as well as
23 residential sites. Combined gross revenues for our
24 industry in Hawaii are in excess of five hundred million
25 per year, an amount nearly equal to all revenues of all
1 diversified ag crops combined.

2 Hawaii's largest industry, tourism, relies to a
3 great degree on the value added to Hawaii's resources by
4 the landscape industry. We are landscape architects,
5 nurserymen, contractors, arborists and tree-trimming
6 operations, golf courses, resort and multi-family housing
7 grounds, commercial and resort grounds, care specialists,
8 interior plant specialists, residential design,
9 installation, and maintenance professionals often supported
10 by the UH College of Tropical Agriculture Research
11 Extension.

12 Our services are often exported. Our landscape

13 architects are sought throughout the Pacific Basin and
14 other tropical areas for their expertise in resort and
15 urban development planning. Our nurserymen supply a
16 worldwide market for foliage and flowering plants. Our
17 service industries create the delightful environment and
18 amenities enjoyed by ten million tourists a year, importing
19 millions of dollars to Hawaii's economy. Our greatest
20 challenge: Our work force and design, development, crop
21 protection, and nursery settings and lack of research in
22 ornamental horticulture and design professions.

23 I'm going to skip to -- the federal government
24 can assist Hawaii landscape industry by increasing support
25 for Extension University research and the soon to be
1 created School of Landscape Architecture. Adapting gross
2 income limits so crop supports and insurance for foliage
3 crops can become available for landscape and export
4 nurseries -- I'll get --

5 THE MODERATOR: Thank you. I'm sorry, again.

6 All right. Yes, sir.

7 UNIDENTIFIED SPEAKER: I'm back again. I can't
8 remember standing in line as long as this since 9/14, when
9 I tried to leave San Antonio to get to San Francisco and
10 come home. But I just wanted to pose a hypothetical

11 question to you: What if we could go ahead and take
12 conservation districts and give them the incentive to be
13 self-sustaining and perhaps put money back into the
14 agricultural program? I'm referring to what I gave
15 Congressman Case, that thing on the energy buoys.

16 What if we could go ahead and stipulate a South
17 Sea Island Conservation District to take on the process of
18 generating electricity to offset the cost of their
19 operation, which would help them? And if they had enough
20 in there, they could put it on the grid and add to the
21 economy of the country, the island. And that way they
22 would be paying their way rather than asking for handouts.

23 I know what I would like to see go into the Farm
24 Bill: Some way that we can have people that will talk to
25 people that have a problem and help them walk through the

1 thought process on what they can do to become
2 self-sufficient. Thank you, very much.

3 THE MODERATOR: Thank you, so much.

4 KAZ YAMADA: I am very pleased to see you wearing
5 leis made in Hawaii. And let me give you a
6 brief -- the white flower that you have on your leis,
7 there's two sets of labor involved. Little less than half,

8 little less than one cent, to two hundred fifty thousand
9 annual, it goes to pay people from Haleiwa, one of the
10 distressed areas.

11 My name is Kaz Yamada, founder of A and K
12 Nursery. We, A and K Nursery, grew flower heads for leis.
13 We met the needs and expanded great in the '60s and '70s
14 and '80s. At one time we covered the whole airport, and
15 you could smell the flowers a mile away. Graduation, you
16 could do the same. But this is not what I'm here about.

17 I am here today to get the issue of what's around
18 your neck: leis. Is it a agriculture commodity, or is it
19 a manufactured product? The Department of Labor says it's
20 a manufactured product. And by the way, there's about one
21 dollar's worth of cost in putting it together.

22 Now we face a situation now that approximately
23 ten thousand leis are being shipped to Hawaii, and this
24 eroded the pest situation. Now, this is the question:

25 Thailand leis, particular, comes to Hawaii subsidized by
1 the Thai government and duty free to the United States.

2 Hawaii growers and leis cannot compete. So my question is
3 this: Are we going to allow Thailand flowers being shipped
4 duty free and the U.S. to allow it to come in tax-free?

5 This is the question I give to you.

6 THE MODERATOR: Thank you, so much, Kaz.

7 ALAN KENNETT: Again, Alan Kennet with Gay and
8 Robinson. During the recent DR CAFTA debate, the U.S.
9 domestic industry strongly opposed CAFTA. And although the
10 supporters of CAFTA were characterizing the amount of sugar
11 that would come in under CAFTA as being minor, only 120,000
12 tons, some domestic producer has to make way for that
13 120,000 tons.

14 And when you're viewed as being the high-cost
15 producer in the industry, because of our location, as I
16 indicated before, our transportation costs are so high we
17 felt extremely vulnerable, and we still do, with any
18 up-coming FTAs. Fortunately, as an offshoot of the debate,
19 some our sugar-supporting senators were able to elicit
20 from the Secretary Johanns to do a sugar-to-ethanol
21 program. That is something we really strongly support.

22 And what Hawaii would like to see is that if any
23 sugar should come in under any future FTAs or the surplus
24 Mexican sugar, that Hawaii sugar should be the one that
25 goes into ethanol, and that the Mexican or the FTA sugar go

1 in to replace our sugar on the mainland. Then we'll have
2 solved the transportation high cost that I've been talking
3 about and what we're concerned about. This is something

4 that we would strongly support. Thank you.

5 THE MODERATOR: Good, Alan. Thank you, so much.

6 Ladies and Gentlemen, Ed Case has got a few words
7 to say. I think he's got another obligation. So can you
8 make his mic live? Okay.

9 CONGRESSMAN CASE: I really am sorry. I'm going
10 to slip away, try to do this quietly. I promised that I
11 would spend some time on Maui in a few hours, and you know
12 how hard it is to get from the Big Island to Maui. So I'm
13 going to go back to Honolulu and then go to Maui, and I'm
14 about an hour away.

15 I really appreciated the time to spend with
16 everybody here today. I wish I could have stayed to hear
17 the end of it, but I'm going to read the transcript myself.

18 So Mr. Dorr and Mr. Carlson, we really appreciate
19 what you have done here today. I really commend the USDA
20 for doing this. Mr. Dorr, something you said just struck
21 home with me. I think the word you used was it's great to
22 get out of downtown Washington and K Street and listen to
23 people. That's so important, really. And what he meant by
24 that was -- and I'm going to characterize it because he
25 might not characterize it.

1 But the problem with federal farm policy is too

2 often in the world of Washington, it kind of becomes
3 captive of the people that know how to work the insides of
4 Washington. So when we get out of the Beltway to
5 talk-story, as we do here, that's when you hear from what's
6 really going on. And I hope you've heard. And I want to
7 come and see you, by the way, because I think you've got
8 the best perspective on Hawaii ag of anybody out there
9 right now. So I'm going to be visiting you in the next
10 couple of . . .

11 Please let me make three quick points that I
12 don't think have been raised adequately. First of all, is
13 anybody in either of these two lines a representative of
14 Hawaiian pineapple? Pineapple is our biggest crop.
15 Pineapple -- I don't think we've said anything about
16 pineapple here today, and pineapple certainly has some
17 major issues that face it, some of which are the same
18 issues that everybody here has been talking about.

19 But they face problems of foreign competition.
20 They face problems of access to markets. They face
21 problems of phyto-sanitary requirements in terms of both
22 getting product up to the mainland but also getting it into
23 places like China. So I want to just say: Don't think
24 that pineapple doesn't have issues just because we haven't

25 talked about it here. I'm going to advise the pineapple
1 industry that maybe they should talk to you before the
2 talk-story sessions are finished.

3 I neglected at the beginning to talk about
4 transportation, and I'm really happy that some people have
5 raised it. We don't have the problem just of moving our
6 product within, you know, a state with busses and trains
7 and, you know, rail and all that kind of stuff. We only
8 have ocean. So it's a big enough problem for us to get it
9 within Hawaii.

10 The market within Hawaii is not just this island,
11 for example, it's Honolulu. But we want to get our product
12 beyond Hawaii to mainland markets. That's what's going to
13 make Hawaii ag go over the long run. Not just local
14 consumption. It's going to be getting, again, product up
15 to the mainland, either high-value, high-niche,
16 high-specialty products or high-volume directed to places
17 that want to buy it. And we've got 2300 miles of ocean.
18 And we are completely dependent upon ocean transportation.
19 Yes, we can use air cargo, but that is a multitude of times
20 more expensive. So it cripples us in terms of getting that
21 product into market. So ocean transportation is crucial
22 for us.

23 The Jones Act is a big problem for us here. The
24 Jones Act is a huge political fight, but the Jones Act
25 doesn't work for Hawaii. The Jones Act does not work for
1 Hawaii agriculture especially. We can argue over the
2 imports which do, by the way, impact Hawaii ag because we
3 have to bring down the product that makes Hawaii ag go on
4 Jones Act ships. We've only got basically two of them, so
5 we've got a duopoly going here.

6 The problem is beyond that. It's taking the
7 product up to the mainland, exporting. See, we have to
8 have access to our markets. So if we have a limited source
9 of supply in our transportation delivery system, we have
10 got a built-in problem. And we have for a long time. And
11 we, frankly, haven't been honest enough here in Hawaii
12 about the consequences of the Jones Act. We've certainly
13 had some discussions with you and the federal government
14 about amending the Jones Act, whether across the board
15 which may be impractical or, just from an export
16 perspective, in noncontiguous states like Hawaii.

17 And we talked earlier, a couple of people, about
18 kind of the similar problems that island parts of our
19 country face, whether it be the Virgin Islands or Guam or
20 Saipan or Puerto Rico. Some of which, frankly, don't have

21 Jones Act problems. For innocuous and obscure historical
22 reasons they're not subject to it. We want to work with
23 you on that. Some reference was made to the geographically
24 disadvantaged study, which, by the way Alan, was reported,
25 but really hasn't been acted on. So it's out there.

1 The third thing I want to raise -- and it's going
2 to be a rhetorical question to everybody. I'd love to hear
3 back about this. We have a huge debate going on in our
4 country about immigration law, immigration policy in
5 our country, and not one word has been said about
6 immigration here in Hawaii. And it may be because it's not
7 a problem in Hawaii ag. I hear it anecdotally about
8 undocumented aliens working in our ag industry here in
9 Hawaii. It is growing here. On Maui, for example, I've
10 heard it, and frankly right here in West Hawaii in the
11 coffee industry, et cetera.

12 Now, you know, this is a tough issue to talk
13 about because people are working for people illegally.
14 It's not legal to hire an undocumented alien to work in the
15 farms and ranches of our country. And yet the reports are
16 it is incredibly prevalent in places like California's
17 Central Valley.

18 I personally think it's a growing problem here in

19 Hawaii, although it's nothing like the rest of our country.
20 We have to get a handle on this. And I don't know, from
21 just basically listening, how much of an issue this is.
22 But we haven't talked about it from an agriculture
23 perspective. But I want to tell you, we are going to have
24 one knock-down drag-out debate over national immigration
25 policy that is going to impact agriculture across our
1 country in how we deal with this. I know you've heard this
2 on other talk-stories across our country. So if anybody
3 has any thoughts on this, I would love to hear about them.

4 Thank you, very much. I'm going to slip away
5 silently. Keep going. Mahalo.

6 THE MODERATOR: All right. Thank you, Ed.

7 GARNET HEWETT: My name is Garnet Hewett, and I'm
8 a fourth generation beekeeper and honey producer. We're
9 probably the largest producer of honey in the state. What
10 I wanted Ed to hear is that the honey industry in the U.S.
11 is basically getting wiped out by cheap imports.

12 There's two hundred million pounds of Chinese
13 honey slipped through the borders without any detection
14 from any agency. USDA has no money, no funding to help us.
15 That's approximately \$120 million worth of tariffs that
16 weren't set, weren't picked up, which was basically set

17 forth by the Barrett Amendment, which means that no one is
18 taking control of getting these products in and out. All
19 of that honey is on the shelves of America right now, and
20 it's not labeled as Chinese or partially domestic.

21 This is a key issue because all of the bee
22 keepers are going out of business because of this, which is
23 going to, in turn, affect pollination for literally
24 billions of products nationwide. And it has to be stopped
25 immediately. Funding is the key to the whole thing. There
1 needs to be dramatic funding for the bee industry in the
2 future. Thanks.

3 THE MODERATOR: Real good. Yeah, bee keeping.

4 UNIDENTIFIED SPEAKER: Opportunity. I'd like to
5 take a slightly different tack on what we've been talking
6 about today, and I'd like to suggest to you and to
7 everybody in this room that we are no longer paying for oil
8 with dollars. We're paying for it with human lives. It is
9 time to get on with alternative fuels, and there is no
10 better opportunity to do so than the islands of Hawaii.

11 The cultural and physical properties that this
12 place possess allow that to happen here better than
13 anywhere else. We have got to demonstrate to the rest of
14 the world that there is another way to live than the horror

15 that is taking us over. Thank you.

16 THE MODERATOR: Good. Thank you.

17 MATTHEW LOC: Aloha, and good afternoon. My name
18 is Matthew Loc. I am the administrator of the Agriculture
19 Development Division, Hawaii Department of Agriculture.
20 The 2002 Farm Bill required mandatory country-of-origin
21 labeling, or COOL, for meats, beef, lamb, fish, perishable
22 agriculture commodities and peanuts.

23 Unfortunately, the implementation of the COOL
24 program was delayed until September 30th, 2006, for all
25 covered commodities except fish and shellfish. We would

1 like to urge the federal government to redouble its efforts
2 to implement the COOL program to help American and Hawaii
3 producers compete fairly in the marketplace and to help
4 American consumers make informed decisions on the way they
5 eat every day.

6 American producers invest time and resources to
7 meet strict U.S. Government regulations that help ensure
8 that only safe and wholesome products are available to
9 consumers. Our producers offer consistent high-quality food
10 products to consumers and believe that labeling is a
11 valuable tool to compete successfully in a marketplace

12 where access and growth are tied to performance and value.

13 At the same time, American consumers want to know
14 where their food comes from. A fresh trend survey
15 published by the Packers Newspaper in 2002 indicated that
16 86 percent of consumers favored country-of-origin
17 labeling. And another national survey commissioned by the
18 National Farmers Union in 2004 found that 82 percent of
19 consumers supported COOL.

20 Finally, we wish to note that record keeping
21 requirements and implementation costs should not be
22 burdensome to American producers and consumers. Towards
23 this end the USDA should consider adopting the Presumption
24 of U.S. Origin Rule as the cost-effective option. Thank
25 you, so much, for your time and attention.

1 THE MODERATOR: Thank you.

2 DALIN PERRY: Aloha and good afternoon. Thank
3 you for this opportunity. My name is Dalin Perry. I'm a
4 farmer on the eastern corner of this island, and today I'm
5 here representing the Hawaii Papaya Industry Association.

6 Eight years ago we began a journey different from
7 any Hawaiian crops. Our industry was being devastated by a
8 virus recently introduced into the main growing region.
9 Some visionary scientists had developed a biotech papaya

10 using new plant breeding technology. It worked. Papayas
11 could be resistant to PRV, growers could get back in
12 business, consumers could once again find this highly
13 nutritious fruit at reasonable prices in the store.

14 Since then we have developed more data for
15 papayas than available for any other fruit. We have even
16 sequenced the whole genome. We've taken this data to the
17 regulators of the U.S., Canada, and Japan, our
18 primary export markets. We have generated a huge book of
19 data for the regulators in Japan and believe we are almost
20 at the end of this journey. However, we find ourselves
21 with a huge and complex marketing challenge. Unlike any of
22 the forty or so biotech foods already deregulated in Japan,
23 we will be selling a whole food where there is no such
24 effort being made today.

25 Today I would like to come to you to ask that the
1 Farm Bill help us continue to address the general concerns
2 and lack of knowledge about agriculture biotechnology in
3 Japan. This will also open the export doors for future
4 commodities that will receive their safety approvals in the
5 future as well as those that have already received theirs.
6 Additionally, the papaya industry has become a blueprint
7 for what a small commodity can do to

8 overcome a significant production problem. I believe USDA,
9 through the Farm Bureau funding, could build a system to
10 facilitate the use of agriculture biotechnology to solve
11 other small industry problems.

12 The large biotech companies are willing to help
13 like they did with papayas, making their intellectual
14 property rights available. Universities countrywide have
15 developed appropriate solutions to localized conditions.
16 But the regulatory system is seen as overwhelming and
17 overly expensive for small crops with big problems. This
18 will take a special initiative. I ask your help. Thank
19 you.

20 THE MODERATOR: Thanks, Dalin.

21 PAUL KAYLER: Aloha distinguished guests, fellow
22 island residents. My name is Paul Kayler. I am a resident
23 of the island of Maui. I'm speaking here on behalf of the
24 Hawaii Crop Improvement Association of which I am the
25 current president. The Hawaii Crop Improvement
1 Association, or HCIA, represents the seed producers here in
2 the state across four islands encompassing roughly 8,000
3 acres that we're utilizing for seed production and
4 employing roughly one thousand workers across the state.
5 My testimony will also be provided in written form.

6 There's two points that the HCIA wanted to touch

7 on with respect to the up-and-coming 2007 Farm Bill. And
8 those questions are Question 1 and Question 6. Question 1,
9 dealing with maximizing our country's ability to compete in
10 the global markets; and then Question 6, how ag product
11 development, marketing, and research will be addressed in
12 the 2007 Farm Bill.

13 HCIA supports the continuation and increased
14 support of the 2002 Farm Bill, in particular, the sections
15 that support biotech research, and not just research in the
16 core crops. And I think we are well aware how biotech has
17 impacted Hawaii. And I think the smaller crops are the
18 ones that we're particularly interested in supporting those
19 efforts, mitigating trade restrictions of biotech into
20 markets, much as Dalin has already talked about here,
21 continuing support for the extension and ARS grant
22 institutions to provide public education about biotech as
23 well as the benefits that it brings.

24 THE MODERATOR: Five seconds.

25 PAUL KAYLER: Five seconds. The additions that
1 we would propose to support would be stricter enforcement
2 and penalties to prevent the entry of invasive species,
3 and you've heard a great deal about that, level playing
4 fields between foreign and domestic markets for products

5 that we're dealing with here in the islands, and lastly,
6 protecting the state's branding of Hawaii-grown products,
7 particularly to Hawaii, especially going to the mainland.
8 Thank you for the opportunity to provide testimony, and
9 again, thank you for your kind attention and presence here
10 in the islands.

11 THE MODERATOR: Thank you, Paul.

12 KENT FLEMMING: I'm Kent Flemming, extension
13 economist with the University of Hawaii CTAHR. You know,
14 Hawaii producers face a greater range of ag risk and a
15 greater intensity of agricultural risk in their production
16 than in most places in the country.

17 Risk is inherent in all agriculture, and it
18 cannot be eliminated, but it can only be managed. But
19 Hawaii producers have had to manage their risk without crop
20 insurance. We do have macadamia nut and nursery crop
21 insurance the past few years. And I'm optimistic, thanks
22 to the recent USDA efforts, that we'll have coffee, papaya,
23 and banana crop insurance in the near future. But there's
24 no tradition of crop insurance in Hawaii. And it's a huge
25 education effort to get producers to understand the
1 importance of this.

2 One of my concerns is that the new crop insurance
3 will be marketed for a year, and if it's not accepted
4 quickly, will be dropped. And this will be a tragedy
5 because of the expense and effort and the need for it here.
6 So we need a lot more support for risk management education
7 to get the word out, much more so than anywhere else in the
8 country, because of this historical lack.

9 The main way of managing risk in the absence of
10 crop insurance has been ag tourism, which you have heard a
11 lot about today. And that should be supported directly in
12 the new Farm Bill. But primarily I'm thinking about
13 education, about crop insurance, and risk management in
14 general.

15 THE MODERATOR: Thank you, Ken.

16 NANCY REDFEATHER: Aloha kakou. My name is Nancy
17 Redfeather. I'm an organic farmer and teacher from Kona.
18 I have an experimental educational farm in the Mauka area.

19 I have a few comments today about agricultural
20 biotechnology and some of the concerns of this community
21 and the community across the state has of it. One is that
22 the Agriculture Department at the federal level has
23 sponsored one hearing, I think it was the Research Credit
24 and Rural Development had a hearing on agriculture

25 biotechnology, June 24th, 2004.

1 I got that transcript and read the entire
2 transcript, and I was very impressed with Congressman
3 Case's open ideas about embracing all people's concerns and
4 about agriculture biotechnology. I would like to suggest
5 to the Department of Agriculture that this year you sponsor
6 another hearing on agriculture biotechnology. And instead
7 of just inviting Monsanto, Syngenta, and DuPont, that you
8 actually invite other very well-known scientists across the
9 country and concerned groups, such as the Center for Food
10 Safety, or perhaps, you know, the Union of Concerned
11 Scientists to actually participate in an open forum on
12 agriculture biotechnology to bring a more balanced
13 viewpoint to this technology at the federal level.

14 The next point I would like to make is that I'd
15 like to see the USDA initiate some sort of follow-up on the
16 field trials that are being conducted on Hawaiian soils.
17 We really don't have any sort of follow-up scientific
18 evaluation on effects of these new crops on soils,
19 ecosystems, and health of the workers.

20 And lastly, I would like to also just plead to
21 you to support organic standards and not to lower these
22 standards nationwide so that organics can be a name that is

23 trusted throughout America. Thank you.

24 THE MODERATOR: Thank you, Nancy.

25 SOLTERO AGUD: Good afternoon. My name is

1 Soltero Agud. I'm the manager of Kona Pacific Farmers

2 Cooperative. We're the ones that supplied the Kona Coffee

3 today. So I would like to request two more minutes --

4 THE MODERATOR: Thanks, Soltero.

5 SOLTERO AGUD: -- since I kept you up. We're

6 celebrating our 50th year this year, and we've been

7 processing coffee at a facility that's 90 years old. So

8 we've got a long history.

9 There's been quite a few topics that's been

10 covered. First of all, I'd like to thank the USDA because

11 we've been, how you say, participants or recipients of

12 loans, grants, and technical support. You've got a

13 wonderful office here that I've used in Hilo. So from

14 that standpoint, don't take that away. I'd like to know

15 when PBARC will be ready to be in operation, so I can start

16 using that.

17 One issue that Senator Case had brought -- or

18 Representative Case had brought up that I have is the

19 illegal-, undocumented-alien issue. It's a huge concern.

20 We have been using migrant workers for over fifteen years,
21 and I have personal experience from the cooperative of many
22 of these workers that are undocumented illegals that are
23 still here within the island or the state and still roaming
24 the community.

25 What I can't understand is they can't swim our
1 body of water. They can't go through our -- crawl through
2 the bushes to get across the border. I can't understand
3 how we are really putting national security at risk. And
4 there's only two airports that they can come into here on
5 the Big Island. So I'd like to really talk about illegal
6 aliens, both in the pest species, the insects, and in the
7 human species. Because it also affects our housing and
8 other issues and infrastructure. Thank you, very much.

9 THE MODERATOR: All right, Soltero. Thank you,
10 very much.

11 I have to check with Governor Lingle.

12 GOVERNOR LINGLE: Thank you, very much, Secretary
13 Dorr. I'm going to have to leave in ten minutes, so I'll
14 just slip out. But I'd like to use the final ten minutes
15 to just keep listening to everyone.

16 I want to thank you-all for coming out today and
17 thank our guests again. This is historic to have been here

18 and have so many great issues raised. I've learned a lot
19 just sitting here, a lot of things I wasn't aware of. And
20 our agriculture secretary, she's taking notes furiously
21 here in the front, so it's been a big help to us. So thank
22 you all very much.

23 THE MODERATOR: Thank you, Governor Lingle.

24 JUDY LENTHALL: Aloha kakou. My name is Judy
25 Lenthall. I'm the executive director of the Kauai Food

1 Bank. My testimony concerns the proposed rules for the
2 Senior Farmers Market Nutrition Program. Thanks to
3 Lorraine for inviting me here today and bringing this
4 program originally to Hawaii. We've been participating
5 since it started in the year 2002. And it's one of the
6 best programs the USDA has ever done. It's probably the
7 only source of affordable Grade A fresh produce for our
8 poverty kupuna here in Hawaii.

9 The current annual benefit for this program is
10 about \$190 per senior per year. So I brought some props to
11 show you what that means. At your feet on this side of the
12 stage is a weekly allotment that a senior here on the Big
13 Island would receive. We do the program for about twelve
14 weeks. The proposed rule, is an across-the-board limit of
15 \$50 per senior per year and would mean a weekly allotment

16 to our kupuna of this side of the stage.

17 The proposed rule would mean a loss of over
18 \$378,000 in annual funding to our state. And,
19 unfortunately, neither the state nor our counties can make
20 up this tremendous loss. Our participating seniors live on
21 less than \$10,000 a year that receive this produce. What
22 this means is the proposed reduction would mean a loss of
23 almost three percent of their total average income. No one
24 earning this level of income can take that cut.

25 Formal comments have been submitted by the mayor

1 of Kauai County, the mayor of Hawaii County, the state
2 Office of Community Services, the Hawaii State Office on
3 Aging, the Kauai Office of Elderly Affairs, the Kauai Farm
4 Bureau, eleven growers, Kauai Food Bank, Hawaii Island Food
5 Bank, and the Western Regional Anti-Hunger Coalition. But
6 we fear that no one is listening to our plea.

7 We would appreciate greatly if the USDA would
8 recognize that Hawaii is very unique geographically,
9 economically, and has transportation and administrative
10 problems that are endemic to only Hawaii. This one-size
11 program will not fit in Hawaii.

12 Please consider lifting the unreasonable \$50

13 maximum annual cap for Hawaii's poverty seniors. Thank you
14 for the opportunity to speak before you today. I pray that
15 you will consider our request for the benefit of Hawaii's
16 poverty seniors. Mahalo.

17 THE MODERATOR: Thank you, Judy.

18 MONTY RICHARDS: Hello. My name is Monty
19 Richards, and I want to thank all of you for coming. I had
20 not planned to speak today except that the transportation
21 issue, for livestock primarily, had not been mentioned
22 until Representative Case mentioned it.

23 However, our market currently is in the United
24 States of America. We must get our cattle from Hawaii to
25 the U.S. of A. Currently, due to the Jones Act, Matson

1 must be our method of transportation. Matson is not able
2 to move animals, all the animals, when we want them moved.

3 Therefore we are using the cattle ships that are
4 owned by the Scandinavians. We are permitted, therefore,
5 to haul from Hawaii to either Mexico or Canada. We have
6 opted for Canada; however, it adds a lot more money by the
7 time we hit Canada because we have to haul them to Texas,
8 Kansas, or wherever we happen to be hauling.

9 I realize this request may be a little out of
10 line for the Farm Bill, but I think you people should be

11 aware of what our problem is. Right now, with the cattle
12 prices where they are, we are able to make it. However, in
13 the future -- I've been in the livestock business for over
14 fifty years. I've seen the prices go up and down. I thank
15 you.

16 THE MODERATOR: Thank you, Monty.

17 DALE BURTON: Aloha. My name is Dale Burton.
18 I'm a member of the board of directors of the Hawaii Rural
19 Development Council. I believe we have two other board
20 members here also. You've had a thorough overview of
21 issues facing rural Hawaii and rural agriculture in Hawaii.
22 We have a great representation of the stakeholders involved
23 in rural Hawaii.

24 State rural development councils were created for
25 the purpose of providing coordination and facilitation in

1 development of rural policy. And that's a role that we are
2 preparing ourselves to do even better than we're doing
3 today. It's been a struggle. As you probably know, the
4 2002 Farm Security Act authorized \$10 million for support
5 of the National Rural Development Partnership. But that
6 money was never appropriated.

7 What we're here to ask you today is three things:

8 One, implement the National Rural Development Coordinating
9 Committee immediately; two, continue emergency funding of
10 the State Rural Development Councils. And we deeply
11 appreciate the support that USDA has already given us by
12 taking money from other program areas to give to the state
13 Rural Development Councils. We've also had great support
14 from our state office. And the third thing is that we ask
15 you to recommend full funding of State Rural Development
16 Councils of the National Rural Development Partnership in
17 the 2007 Farm Bill. Thank you.

18 THE MODERATOR: Real good, Dale. Thank you, very
19 much.

20 LAURIE BEECH: Aloha. My name is Laurie Beech.
21 I want to thank you for being here today as well. I am
22 coming from the Hamakua Coast, which is in transition. The
23 sugar plantations closed a few years back, and we're
24 struggling to define agriculture on the Hamakua Coast at
25 this time. The face has changed. We've gone from one
1 large landowner and one large crop. And we're trying to
2 create a atmosphere of diversified agriculture consisting
3 of small family-owned farms.

4 The USDA has some wonderful programs, but they
5 don't have very many that will suit our needs as small
6 startup-type funds and startup-type programs. I just

7 wanted to mention that I've been active in this community
8 for quite some time on this project, and we did run across
9 some programs. They're called ag viability programs. And
10 they've been very successful in several states. They're
11 actually through some of the state departments of ag. I
12 wanted Sandy to hear this.

13 And what they do is instead of just throwing
14 money at a farmer that wants to farm, they actually pair
15 them up and take the farmer from business planning,
16 planting the fields, technical support, all the way through
17 marketing, transportation, processing and all of that. And
18 I'd just like you to, you know, maybe consider some type of
19 program that might encompass that broad of an arena rather
20 than just one specific item. Thank you.

21 THE MODERATOR: Thank you, Laurie.

22 PETER SIMMONS: Aloha. I'm Peter Simmons. I
23 work with Kamehameha Schools. I'm the regional asset
24 manager for this island. We, me and my colleagues, work on
25 about 285,000 acres on this island. And my other
1 colleagues around the state, we work together with about
2 360,000 acres of land. We have about a thousand lessees on
3 this island.

4 I'm also the chairperson for the -- I'll stay

5 with the Kamehameha School stuff, and I'll remember who I
6 am the rest of the time.

7 I just want to say that the surge in real estate
8 value, prices of real estate around, has created an
9 uncomfortable situation here in Kona, I think around this
10 island. And that is, our trustees, wisely and gratefully,
11 for instance here in Kona, made a forty-five year
12 commitment to support our existing farmers.

13 Unfortunately that created an opportunity for folks
14 who were looking to move to Kona to have real estate in
15 Kona. And it really didn't work for the purpose entirely
16 that we had in mind, that is, to support existing farmers
17 through very reasonable agriculture leases.

18 The other point I was going to make is I'm the
19 chairperson for the Society of American Foresters here in
20 Hawaii. And we've benefited greatly from our relationship
21 with the state, territory, and the federal government. I'm
22 asking that the Department of Agriculture allow or
23 encourage USDA Forest Service and PBARC to work together on
24 fiber farms and timber because it's a natural, it's here,
25 they've got great opportunities in this island, people have
1 made significant investments, and they've had a history of

2 performance in that area.

3 The Forest Service has kind of migrated away from
4 the support of the timber industry toward ecosystem
5 services, which is great. But we'd like to have them back.
6 If you could encourage that that would be wonderful.
7 Thank you.

8 THE MODERATOR: All right. Thank you, Peter.

9 Ladies and Gentlemen, I want to ask that nobody
10 else get in line, if you can. As you know we're running
11 over on our time, and we'd like to be able to get some
12 people out of here, I think some other obligations too. So
13 please do that.

14 KAUPU SMITH: Hi. My name is Kaupu Smith. I'm
15 the plantation manager for Kawaihoa. It's on Oahu on the
16 North Shore. In 1910 Lake Wilson was constructed to
17 provide irrigation water for close to fifteen thousand
18 acres of land on the North Shore. And while it was in
19 sugar, it was okay for it to have sewage in it. I noticed
20 no one has talked about water quality.

21 As a result, in 1929 sewage was placed into Lake
22 Wilson. And people have since forgotten that the primary
23 purpose was for irrigation source. As I said, while it was
24 sugar, it made no difference. But my farmers and other

25 farmers on the North Shore are now faced with the fact that

1 we cannot plant veg crops with that water because of the
2 sewage input. Both the federal government and the City and
3 County of Honolulu put sewage into that system.

4 The output of that system is close to 50 million
5 gallons a day. The sewage input is a maximum of 4 million
6 gallons. So you can see how it taints the opportunity, as
7 has been mentioned before, of the farmers on the North
8 Shore. As a result we do not plant veg crops. That's why
9 we are in seed corn, papaya and everything else that
10 doesn't touch the product. So we would like to see that
11 the Farm Bill address and prevent people from infecting, as
12 I call it, our ag irrigation sources.

13 And the next part of it is that that's a symptom
14 of the lack of priority for ag irrigation. Besides the
15 fact of the water quality, there is no help for the
16 landowners to keep that system going. And that's the
17 second part of the problem: No water for crops and poor
18 water when we get it. Thank you.

19 THE MODERATOR: Thank you, Kaupu.

20 CAROL KADA: Hi. My name is Carol Kada, and I'm
21 with Hawaii Department of Agriculture. Vote initiatives
22 paid dividends in applied research, and there's no better

23 example of this than in the success of the ongoing fruit
24 fly area-wide study in Hawaii by the USDA Agriculture
25 Research Center now in its sixth year of funding.

1 The importance of Hawaii as a research center for
2 fruit fly control technology is unquestioned as
3 acknowledged by the agency in its decision to establish the
4 USDA Pacific Basin Agriculture Research Center on this very
5 island of Hawaii.

6 USDA ERS established a partnership with the
7 University of Hawaii, the Hawaii Department of Agriculture,
8 and agriculture communities throughout the state. Through
9 the effective planning and execution of integrated pest
10 management, fruit fly populations were substantially
11 reduced in farming areas with the application of new
12 technologies. The program has changed the economics of
13 crop production in Hawaii with growers experiencing higher
14 yields and product quality than ever before.

15 The success of the area-wide program has raised
16 the possibility of new technologies opening the way for
17 fruit fly eradication in Hawaii. We encourage the USDA,
18 through this Farm Bill, to acknowledge the opportunities
19 for partnerships and research to make significant advances

20 in agricultural development in the U.S. and the Pacific
21 Island areas. We urge USDA to continue its strong support
22 of ARS as well as APHIS in Hawaii, and in particular the
23 area-wide suppression effort and capacity of APHIS to
24 continue the mass rearing of sterile flies in Hawaii for
25 the U.S. mainland.

1 Hopefully preventive release and eradication
2 programs will also be done in Hawaii. We urge the strong
3 support of these initiatives and programs through the Farm
4 Bill. Thank you.

5 THE MODERATOR: Thank you, so much.

6 STEVE BOLES: My name is Steve Boles, and my
7 business is water. I just wanted to emphasize that a year
8 ago I attended the USDA series Agricultural Water Security
9 Session in Park City. And one of the points I emphasized
10 to them, there was only two of us from Hawaii, but we in
11 particular are very sensitive in our water development and
12 particularly on this island of the need to have a good,
13 reliable, inexpensive energy source to pump water.

14 Our islands are almost totally dependent on
15 ground water. The surface water systems are archaic and
16 are dying rapidly. It used to be used for the sugar
17 industry. We no longer rely on that. We rely on ground

18 water.

19 I would encourage, as part of the Farm Bill, that
20 there be a major emphasis to set up, particularly on this
21 island of Hawaii, as a focal point to development of energy
22 sources, which can pump the water here for agriculture.

23 Thank you.

24 THE MODERATOR: Thank you. Steve.

25 CARLS SACCHI: My name is Carla Sacchi. I've

1 been a fine artist for twenty of the thirty-five years I've
2 lived in Hawaii. I came here -- my grandmother lived here
3 when I was a little girl. And I have a small farm in South
4 Kona now, and I've become acquainted with a lot of the
5 people that live in my community, and we're all
6 interested --

7 Off the record here. I've been listening to
8 everybody talk about water. What I want to know is with
9 the billions of gallons of rain water that go running past
10 my house, what is up with this? There's so much rain here.
11 Isn't there some way to get it? I mean, that's just
12 something I've been listening to. And it's just
13 mind-boggling to me. I watch it run down my house and fill
14 up my cesspool. I just can't figure out what's going on

15 here.

16 Okay. Aside from that, we are all very
17 interested in this energy -- this trash-to-energy
18 conversion that we've been hearing about. And we've
19 researched it a little bit on the internet. And apparently
20 there's a method of converting waste to electricity and
21 ethanol, millions of gallons of it. And what I want to
22 know is why the public isn't being told this and we can't
23 be the ones to make the decision and decide whether or not
24 we want our trash converted to ethanol and electricity as
25 opposed to being -- whatever.

1 Are they going to drive it back and forth from
2 Hilo to Kona? I mean, we would like -- I think that it
3 would be nice if we could hear what the options are as
4 opposed to just having you decide for us because you're
5 supposed to be representing us. Thank you.

6 THE MODERATOR: Thank you, Carla.

7 JOHN BLOON: Hi. My name is John Bloon. I'm a
8 small subsistence farmer in South Kona. First I want to
9 thank Mr. Simmons's remarks about all that Bishop Estate's
10 doing and all the problems we're having right now with the
11 high land costs and small farms in Hawaii. Because I think
12 to keep our communities safe and secure, we need small
13 farms. And we need small farmers supporting the economic

14 system because every small farmer contributes a huge amount
15 to the final economic totals. I think it's one -- for
16 every dollar small farmers spend here, it might turn into
17 \$7 in economic activity.

18 And I think this move towards large farms with
19 migrant workers and stuff like that is going to hurt
20 Hawaii, and it's going to take us away from what we're
21 talking about. But I've seen for fifty years now the
22 USDA's created programs that have literally attacked
23 farmers by encouraging the use of toxic chemicals created
24 as byproducts from the oil and gas industry.

25 And we're now reaping the results of that with

1 what we talk about, GMOs, we talk about all these new
2 crops, we need this remediation, we need this fix. We got
3 all these sick people. Farmers are being forced to produce
4 things below the cost of what they're getting paid. And
5 this is the direct result of USDA stuff.

6 And we're also seeing where we're talking about
7 subsidies now to farmers being attacked because of the
8 CAFTA and NAFTA and all these free-trade things. What I'm
9 seeing is this is an opportunity for the USDA to start now
10 to start supporting organic farmers. Every one percent

11 increase in organic matter on a farm results in over 10,000
12 pounds of CO2 being sequestered.

13 You guys are coming up with money for people that
14 can sequester CO2. The easiest way is to encourage farmers
15 to increase the organic matter in their farm. That will
16 increase the quality of their crops so we won't need these
17 GMOs and we won't need toxic chemicals and we won't need
18 that. By increasing organic matter we can ameliorate and
19 fix many of the problems that you guys have multi-million
20 dollar things for. And plus we can give the farmers one
21 hundred, \$200 an acre for every one percent increase in
22 organic matter. And I really think you guys should start
23 looking at CO2 sequestration on farms as appropriate.

24 THE MODERATOR: Thank you, John.

25 PAULA HELFRICH: Aloha. Good afternoon. I'm
1 Paula Helfrich from the Economic Development Alliance of
2 Hawaii, a state-wide organization that's devoted to food
3 and fuel sustainability within the next ten years.

4 And as you've listened today, you have producers
5 and ranchers and farmers and larger sugar operators, glad
6 to see sugar again, from five islands. That takes some
7 doing. The logistics, again, thanks to Lorraine Shin's
8 energy and enthusiasm, the entire USDA Rural Development
9 Agency looks absolutely wonderful in Hawaii Island for all

10 the years that she's been involved.

11 I'd like to also do a plug, however, as has been
12 mentioned briefly, for the U.S. Pacific Basin Ag Research
13 Center, what we call PBARC. That entity's mission through
14 ARS is pretty much fruit fly eradication and specific crop
15 research. If at all possible, if the Farm Bill could
16 include a coverage of energy, food and fuel sustainability
17 issues through U.S. PBARC or expansion of those initiatives
18 here to make Hawaii an integrated model for renewable
19 resource management across the board, we'd love to see that
20 happen. Anything we can do to help that. Thank you for
21 your attention.

22 THE MODERATOR: Thank you, Paula.

23 JEFF SATELLI: Good afternoon. Jeff Satelli.
24 I've flown here from American Samoa. And for your
25 information, I did spend \$1300 of my own money and about

1 twenty hours of my own time to attend this forum. And if
2 you can please forgive and allow me an extra minute or so.
3 I've got a lot of important things to discuss.

4 Number one, I'm a farmer, first of all; number
5 two, I'm a father. My children go to school in American
6 Samoa. And the schools in American Samoa feed the children

7 one hundred percent funded by the USDA. I need to tell my
8 son not to eat the vegetables at school. I need to tell my
9 son, please, don't eat 'em at school. There are
10 pesticides. It's very flagrant.

11 And I implore you, please. These illegal
12 pesticides are being used by illegally documented aliens.
13 They come -- it's an employment issue. We've got illegal
14 pesticides. It's a groundwater issue. And number one, our
15 most valuable resource, our children, please, it's one
16 hundred percent USDA funded mandate that there be pesticide
17 testing. If not monthly, quarterly.

18 Number two, many of our farmers are -- most of
19 our farmers are first-generation producers. We have no
20 knowledge about the USDA programs available to us. English
21 is the second language to about ninety-five percent of our
22 farmers. So we're looking at cultural disparity. Please
23 help us. But number one, please help my kids. Thank you.

24 THE MODERATOR: Thank you.

25 SANDRA SCARR: My name is Sandra Scarr. And this
1 time I want to speak about water, because we haven't heard
2 so much about water until Steve Boles started to talk. I'm
3 a member of the Hawaii County Water Board. And we have
4 enjoyed two years of reasonably good rainfall the last two

5 years, but before that we had seven years of drought. So
6 we look at agriculture water, and it's really an issue in
7 West Hawaii.

8 On the windward sides of our islands we get
9 sufficient rainfall for almost anything, and more than many
10 people would like. On the leeward sides we often have very
11 dry conditions. We grow coffee here in Kona. Coffee
12 requires sufficient water. And many of us have irrigation
13 on our farms, but many do not.

14 And as was indicated earlier, there are two
15 thirty-mile stretches where coffee is grown that there is
16 no water at all, no organized water system. People rely on
17 catchment. If it doesn't rain, they have to buy water
18 that's hauled to them at great expense. You really can't
19 afford to irrigate with hauled water. You can drink it and
20 bathe in it, but you can't irrigate with it. So our
21 farming is really subject to rainfall in many parts of the
22 island. And of course it's very expensive for us to
23 irrigate with potable water, our only supply.

24 Rural development could help us enormously by
25 developing some agriculture water sources and supply in

1 West Hawaii where many of our crops, if not all our crops,
2 depend upon either sufficient rainfall, which we have

3 luckily gotten in the last two years, but often don't, and
4 we really need an irrigation system. To use our potable
5 water is really a waste. I mean, it's economically kind of
6 silly to use potable water. But we've never developed an
7 agriculture water system.

8 So it's an opportunity for Rural Development to
9 help us with developing rural water supplies for people who
10 don't currently have them and rural water supplies for
11 agriculture where we don't have any of it in West Hawaii.
12 So we would welcome any attention you can give us. Thank
13 you.

14 THE MODERATOR: Thank you, Sandra.

15 FREDDIE RISE: My name is Freddy Rise. I'm a
16 fourth generation cattle raiser here in Hawaii. I
17 represent probably thirty percent of the cattle raised and
18 eighty percent of the ranchers here in the islands that
19 raise cattle on leased land with borrowed money.

20 And I wouldn't be here speaking as a rancher if
21 it weren't for the programs of NRCS and the Farm Service
22 Agency. I have a livestock loan with Farm Service Agency,
23 and I had a disaster loan, when we had the worst drought in
24 history a few years ago, from the Department of Ag in the
25 state of Hawaii. And I urge you to protect these programs

1 that exist today. Because of the ranchers like myself that
2 survive to a large part due to these payments.

3 And why is it important that we survive here in
4 Hawaii? Well, we understand that the view from my kitchen
5 window is probably more valuable than anything I could
6 raise on it. But it's that pristine view that you see when
7 you go through Waimea, when you're on Maui, Haleakala
8 Mountain, it's there because it's -- cattle are used as a
9 management tool. Without it, with all the growing
10 capabilities here on the islands, it would just be
11 a botanical garden of noxious weeds.

12 Also from the nation's standpoint, Hawaii's
13 isolated with a 3000 mile moat. And it would protect
14 genetics and cattle, livestock, from any major disease like
15 Hoof-and-Mouth, Mad Cow. We would still have the nucleus
16 to regenerate and restock areas that cattle had to be
17 eliminated. Thank you.

18 THE MODERATOR: Thank you, so much.

19 MARCIE MONTGOMERY: Marcie Montgomery again. I
20 have one more thing I wanted to mention. Didn't have time.
21 This is the housing issue for farmer workers. I am working
22 very successfully with the USDA office. The rural housing
23 people there are wonderful. There is funding available.

24 The problem that we need help with is that the
25 county is not accepting the idea of agricultural farmer

1 worker housing in ag lands. I'm researching this. I'm
2 trying to find properties. The problem is that they want
3 to put the agricultural workers back in the city on
4 residentially zoned land and make them commute. Well, we
5 already have a huge traffic problem out to the farm area.

6 So I don't know quite how this relationship could
7 happen, but it seems to me the USDA could set a precedent
8 in the Farm Bill so that the county can look at that
9 precedent and say yes. It's all right for us to change our
10 zoning to allow clustered, multiple-family housing.
11 Because I live on a ten-acre farm in an area with lots of
12 farms. And I will tell you it looks to me like in some
13 areas over fifty percent of the coffee is going unpicked.
14 There just aren't enough workers.

15 One of the reasons there aren't enough workers is
16 there's no place for them to live, so it seems like there's
17 a correlation here. If we can increase the housing, we
18 could increase the number of workers, the more crops that
19 can get picked, and that improves the overall economy.
20 That was my fourth piece.

21 THE MODERATOR: Thank you, Marcie.

22 All right. Last but not least.

23 DIANA DUFF: Hi. Diana Duff back again. Sorry I

24 didn't practice my speed-reading and -speaking before I

25 came before you with these points. But I will make the

1 final points that the landscape industry would like the

2 USDA to hear.

3 The federal government can assist Hawaii's

4 landscape industry by increasing support for extension

5 university research and the soon to be created School of

6 Landscape Architecture here, adapting gross income limits

7 so crop supports and insurance for foliage crops can become

8 available for our landscape and export nurseries,

9 recognizing and promoting the high value-added services

10 exported by Hawaii in landscape design and city, regional,

11 and resort planning architecture services including

12 Hawaii's foliage plant crops in the Specialty Crops

13 Competitiveness Act, reviewing the applicability of relaxed

14 gross income limitations for conservation project

15 assistance, recognizing the very high land values in Hawaii

16 and the consequent necessity for viable operations to have

17 high enough incomes to support the land rents and be

18 economically viable, creating workforce development

19 assistance to meet training needs on a continuing adult
20 education basis as well as for programs in our schools and
21 community and land grant colleges for youth skill
22 development.

23 We thank you for hearing about Hawaii's
24 misunderstood economic giant, the landscape industry, and
25 for your attention to our needs in the next Farm Bill.

1 Thank you.

2 THE MODERATOR: Thank you.

3 Gentlemen, some closing remarks?

4 DEPUTY UNDERSECRETARY CARLSON: This gives us a
5 chance to stand up a little bit. Secretary Door, I think
6 we've got a record for the longest and the best listening
7 session that's been held.

8 I want to thank Loren for a good job done. Thank
9 you, very much. That was well done. And thanks to all the
10 participants. This has been great. We've had twenty
11 people lined up, at least, here throughout day. You
12 are very resilient folks here in Hawaii. And I want to
13 compliment all of you for being so positive and so
14 constructive in your comments. It helps us a great deal.
15 And those comments will be carried back. And we want to
16 thank you.

17 And if Secretary Johanns were here, you'd
18 recognize that he's a good listener, and that's the reason
19 we've had these listening sessions. He is a good listener.
20 And he has a passion for agriculture, and he wants to hear
21 your comments and your thoughts. And these thoughts will
22 be carried back.

23 We've heard about the diversification, and that's
24 why we're here. We wanted to learn. Because in our line
25 of work back in D.C. in the program crops, we don't hear
1 this diversification. So that's been very good for us.

2 And we understand that it's difficult times. And there's
3 some unique situations here.

4 And we've heard about the invasive species. And
5 I want to remind you of the working lands, NRCS has a
6 program. And so talk to Larry about those things. And,
7 you know, APHIS is out on the front line of those issues.

8 Conservation was mentioned several times, if not
9 many, of the watersheds and the need to maintain those
10 watersheds and the water quality. And we've got some
11 programs at EQIP and some others that helps in those water
12 qualities.

13 We've heard a lot about energy, the Jones Act,
14 research, risk management, the port and airport barrier

15 tightening, labelling, all those things we'll take back.

16 And we again thank you, very very much.

17 THE MODERATOR: All right, thank you Merlyn.

18 UNDERSECRETARY TOM DORR: Well, I too would like

19 to echo our appreciation to you, Loren, for doing a great

20 job. It was tough to manage all of this, and you did it

21 very capably.

22 I would like to echo very much what Merlyn has

23 just indicated that, first of all, we appreciate the time

24 you took and the thought that you put in to bringing us

25 your concerns, your suggestions, and your observations.

1 And as he indicated, this is very critical to Secretary

2 Johanns, President Bush, and all of us who will be involved

3 in the actual detailed development work and working with

4 Congress as we write a new Farm Bill.

5 I think the thing that's interesting -- and I've

6 had the opportunity to do eight or nine of these. I have

7 one more left. You talk about the epitome of irony. I'm

8 going from here to New Jersey to do the last Farm Bill

9 listening session. Now, I'm not sure that it gets much

10 more extreme.

11 But we have had the opportunity to be every place

12 in between: South Dakota, West Virginia, Virginia, the far

13 Northeast, the whole gamut. And it's been fascinating.
14 Because there's been a level of consistency that has gone
15 through all of these Farm Bill listening sessions. Number
16 one, probably as consistent as any is farm land protection,
17 land use issues, the development of land in ways that
18 clearly are disturbing, creating a consternation among
19 folks as to how to deal with it. Because underlying our
20 Constitution are property rights. They're very important.
21 And so we don't take these things lightly. And we're all
22 struggling with how to solve them.

23 Number two is the conservation issue, the water,
24 all the issues that surround conservation and maintaining
25 high quality of environment of place.

1 Number three is a development of a regional
2 approach in value-added and economic development. There's
3 clearly a bifurcation relative to the focus on traditional
4 commodity crop programs. People understand that there has
5 to be a diversification in rural America to maintain
6 sustainability and the kind of an environment we want.

7 There are only two ways to make money in any kind
8 of a business: To either be a least-cost producer or to be
9 a differentiator. And it's clear that our days as

10 least-cost producers, as our quality of life has gone up,
11 results in us having to figure out how to do a better job
12 of differentiation.

13 A fourth issue that comes through on a very
14 consistent basis is the fact that we are very very
15 committed to renewable energy. We, meaning this country.
16 The very first policy statement that came out of this
17 administration, albeit somewhat skeptical by many folks
18 because President Bush was perceived as a Texan and an oil
19 guy, was in fact the energy statement that came out in May
20 of 2001.

21 This president, this administration, are more
22 clearly devoted to an energy policy than anybody that's
23 come down the pike in a long, long time. I know from whence
24 I speak. I know the commitment this president, this
25 secretary, and this administration has. I can assure you

1 that the energy bill that we finally got passed in July is
2 just the tip of the iceberg. We are going to continue a
3 strong commitment in this area.

4 The input and the creativeness that we're getting
5 from folks like yourself relative to the whole spectrum of
6 waste-to-energy, sugar-to-ethanol, and everything in
7 between is very, very helpful.

8 Finally, there are a whole host of other issues
9 that keep cropping up. The Jones Act is a continual one.
10 As big an issue as it is here, it's equally big in a number
11 of other areas in this country relative to how it impacts
12 agriculture.

13 Invasive species, I think I heard more about it
14 here than any place else, and I think that's good because
15 it clearly brings some things into focus.

16 Food pricing, I think quite honestly, one of the
17 things that I've learned in the last, over the last three
18 months is that we perhaps don't know a lot about food
19 pricing anymore. And I think it's clear that how we view
20 food pricing is going to give us a lot of insight into how
21 we go about developing a more effective food policy and a
22 rural and an ag and a rural development policy.

23 So all of these things have been both
24 illuminating, again, very helpful, and quite frankly
25 reaffirming and reassuring to the things that we've heard

1 over the last several months. So I thank you-all for the
2 time you've taken to be with us. It's been very helpful.
3 And we're looking forward to trying to bring some semblance
4 of order to all of this in the months to come. Thanks

5 again, very, very much.

THE MODERATOR: All right. Good. Ladies and Gentlemen, thank you-all. Lorraine, thank you for all your help and support. Ladies and Gentlemen, be safe. Thank you, very much, for your input.